



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: September 10, 2015.


CRAIG A. GARGOTTA
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

In re:

MA LERIN HILLS HOLDER, LP, *et al.*,
Debtors.

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CHAPTER 11 CASE

CASE NO. 15-51424

Jointly Administered

ORDER CONFIRMING FIRST AMENDED JOINT PLAN OF LIQUIDATION
OF MA LERIN HILLS HOLDER, LP, ET AL.,
DEBTORS AND DEBTORS-IN-POSSESSION

A HEARING HAVING BEEN COMMENCED BEFORE THE COURT on September 10, 2015 (the “*Confirmation Hearing*”), to consider confirmation of the *First Amended Joint Chapter 11 Plan of Liquidation* (as amended or modified, the “*Plan*”),¹ proposed by MA Lerin Hills Holder, LP (“*Landco*”), L.H. Devco, Inc. (“*Devco*”) and Lerin Hills Utility Easement Holder, LLC (“*Pipeco*” and, together with Landco and Devco, the “*Debtors*”), the debtors and

¹ Capitalized terms used herein without definition have the meanings provided for in the Plan. In addition, any term used in the Plan or this Order that is not defined in the Plan or this Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules.

debtors in possession in the above-captioned jointly administered chapter 11 cases, and Putnam Bridge Funding III, LLC (“*Putnam*”);

IT FURTHER APPEARING TO THE COURT that the Debtors and Putnam filed on June 9, 2015, the *Joint Chapter 11 Plan of Liquidation* [Docket No. 21] (the “*Initial Plan*”) and on July 30, 2015, the Debtors and Putnam filed the Plan, styled as the *First Amended Joint Chapter 11 Plan of Liquidation* [Docket No. 132];

IT FURTHER APPEARING TO THE COURT that the *Disclosure Statement in Support of First Amended Joint Chapter 11 Plan of Liquidation* [Docket No. 133] (the “*Disclosure Statement*”) has been previously approved by the Court, pursuant to the *Order Approving (I) Disclosure Statement; (II) Record Date, Voting Deadline and Procedures for Temporary Allowance of Certain Claims; (III) Procedures for Filing Objections to Plans; (IV) Solicitation Procedures for Confirmation; and (V) Hearing Date to Consider Confirmation of Plans*, dated July 31, 2015 [Docket No. 134] (the “*Disclosure Statement Order*”);

IT FURTHER APPEARING TO THE COURT that solicitation and noticing procedures with respect to the Amended Joint Plan have been approved by the Court in the Disclosure Statement Order;

IT FURTHER APPEARING TO THE COURT that the Debtors have filed with the Court a Notices of Plan Supplement including Plan Supplements relating to Assumed Executory Contracts and an Administrative Budget [Docket No. 165, 166 and 224, respectively];

IT FURTHER APPEARING TO THE COURT that the Debtors have proposed further modifications to the Plan based on agreements with various parties and the rulings of the Court at the Confirmation Hearing;

IT FURTHER APPEARING TO THE COURT that no objections to the Plan were filed except for the objections filed by Abel Godines [Docket No. 208] (and joined by Rafael Rios and J. Apolinar Zepeda Sanchez) [Docket Nos. 212 and 213] and by the United States Trustee [Docket No. 193];

IT FURTHER APPEARING TO THE COURT that (i) the deadline for casting ballots to accept or reject the Plan has passed; and (ii) Allison Seifert, acting as voting agent for the balloting permitted for all classes entitled to vote on the Plan, has filed her *Declaration of Allison Seifert Certifying Voting on, and Tabulation of, Ballots Accepting and Rejecting the Debtors' Plan of Reorganization* (the "***Seifert Declaration***") [Docket No. 216], which certifies both the method and results of all voting on the Plan ;

IT FURTHER APPEARING TO THE COURT that the Debtors and Putnam have presented testimony, proffers, other evidence and argument of counsel in support of confirmation of the Plan, and that additional testimony, evidence or argument of counsel has been presented by other parties in interest;

IT FURTHER APPEARING TO THE COURT that the Debtors have resolved the objections filed by every party in interest other than that of the United States Trustee and have evidenced such resolution by either including specific language in the Plan or as set forth in this Order;

NOW, THEREFORE, based upon the Court's review of (a) the Disclosure Statement, (b) the Plan, (c) the Plan Supplements, (d) the unresolved objections to confirmation of the Plan, (e) all of the evidence proffered or adduced at, filings in connection with, and arguments of counsel made at, the Confirmation Hearing, and (f) the entire record of the chapter 11 cases; and

after due deliberation thereon and good cause appearing therefor, and for the reasons set forth on the record at the Confirmation Hearing,

IT IS HEREBY FOUND AND DETERMINED THAT:²

A. Jurisdiction; Venue; Core Proceeding. The Court has jurisdiction over the Debtors' chapter 11 cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L) over which the Court has exclusive jurisdiction.

B. Judicial Notice. The Court takes judicial notice of the docket of the Debtors' chapter 11 cases maintained by the Clerk of the Court and/or its duly-appointed agent, including, without limitation, all pleadings and other documents filed with, all orders entered by, and all evidence and argument made, proffered or adduced at the hearings held before the Court during the pendency of the chapter 11 cases.

C. Transmittal and Mailing of Solicitation Materials and Notices. The solicitation materials and notices prescribed by the Disclosure Statement Order were served in compliance with the Disclosure Statement Order, and such service was adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing and the other deadlines and matters required to be noticed pursuant to the Disclosure Statement Order was given in compliance with the Bankruptcy Rules and the Disclosure Statement Order, and no other or further notice is or shall be required.

D. Adequacy of Solicitation Procedures. All procedures used to distribute the solicitation materials to the appropriate creditors entitled to vote on the Plan and to tabulate the

² The findings of fact and the conclusions of law stated in this Confirmation Order shall constitute findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to the proceeding by Fed. R. Bankr. P. 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

ballots returned by creditors were fair and were conducted in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order. Votes for acceptance or rejection of the Plan were solicited and cast in good faith, and only after transmittal of a disclosure statement containing adequate information, and otherwise in compliance with 11 U.S.C. §§ 1125 and 1126 and Fed. R. Bankr. P. 3017 and 3018.

E. Good Faith Solicitation – 11 U.S.C. § 1125(e). Based on the record before the Court in the chapter 11 cases, the Debtors, the Debtors' Professionals, Putnam, and all of their respective directors, officers, employees, members, participants, agents, representatives, partners, affiliates, legal and financial advisors, and successors or assigns, have acted in good faith within the meaning of 11 U.S.C. §§ 1125(e) and 1129(a)(3), and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order in connection with all of their respective activities relating to the solicitation of acceptances of the Plan and their participation in the activities described in 11 U.S.C. § 1125, and are entitled to the protections afforded by 11 U.S.C. § 1125(e).

F. Impaired Classes that have Voted to Accept or Reject the Plan. Under the Initial Plan, Classes 1, 2, 3, 5 and 6 were impaired and, as evidenced by the Seifert Declaration, which certified both the method and results of the voting, Classes 1, 2, 3 and 5, including the distinct subclasses set forth under Class 3, voted to accept the Plan pursuant to the requirements of 11 U.S.C. §§ 1124 and 1126. On the record, the Debtors and Putnam agreed that the creditors who were classified in Class 6 would (a) not be separately classified and (b) would not be subordinated pursuant to the Plan. The Court finds that Classes 1, 2 and 3 are still impaired Classes under the Plan, who voted to accept the Plan. Class 5 rejected the Plan.

G. Classes Deemed to Have Rejected the Plan. Under the Amended Joint Plan, Classes 6 and 7 were not entitled to receive distributions and are thus deemed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g). There are no longer any creditors in Class 6.

H. Debtors' Releases, Exculpations and Injunctions. Pursuant to Bankruptcy Rule 3016(c), the Plan describes in specific and conspicuous language all acts to be enjoined by and identifies the entities that are subject to, the injunctions provided under the Plan, including Sections 9.3, 9.4, 9.5, and 9.6 thereof. The Court hereby finds that each of the release, exculpation and injunction provisions set forth in Article IX of the Plan is (a) within the jurisdiction of the Bankruptcy Court under 28 U.S.C. §§ 1334(a), 1334(b), and 1334(d); (b) are essential to the implementation of the Plan pursuant to § 1123(a)(5), warranted by the unique circumstances of these cases, and supported by specific consideration, including the additional cash contribution by Putnam to fund distributions to Holders of Allowed Claims; (c) an integral element of the transactions incorporated into the Plan; (d) the product of arm's length negotiations and a critical element of obtaining the support of the various constituencies for support of the Plan; (e) fair, equitable, given for valuable consideration, and in the best interests of and confers material benefits upon, the Debtors, their Estates, and their Creditors; (f) important to the overall objectives of the Plan to finally resolve all claims among or against the key parties in interest in the chapter 11 cases with respect to the Debtors; and (g) consistent with 11 U.S.C. §§ 105, 1123 and 1129, and other applicable provisions of the Bankruptcy Code. The Court further finds that, pursuant to the plan language of the form of ballot approved pursuant to the Disclosure Statement Order, each creditor that voted to accept the Plan is deemed to have consented to the release, exculpation, and injunction provisions specified in Article IX, Sections

9.5 and 9.6 of the Plan. The record of the Confirmation Hearing and the chapter 11 cases is sufficient to support the release, exculpation, and injunction provisions contained in the Plan.

I. Putnam Claims. As of the Confirmation Date, the outstanding balance of the Prepetition Lender Claims was not less than \$43,984,576.08, including outstanding principal, accrued interest, and related fees and expenses. On the Effective Date, and after giving effect to the \$2,000,000 contribution by Putnam to the Debtors to fund payments under the terms of the Plan, the outstanding balance of the DIP Claims will be not less than \$3,506,825.38, including outstanding principal, accrued interest, and related fees and expenses

J. Valuation. Based on the extensive evidence presented at the Confirmation Hearing, including expert testimony, the Court finds that the present fair market value of the Property “as is,” including any present value of any rights to reimbursement from the MUD pursuant to the Development Financing Agreement, dated May 21, 2007 (the “**MUD Development Agreement**”), or otherwise is not greater than the amount of the Prepetition Lender Claims.

K. Treatment of Mechanic’s and Materialman’s Liens. As of the Petition Date, no mechanic’s Liens were filed against the Property except for the following:

(i) On or about April 13, 2015, Apolinar Zepeda Sanchez dba Zepeda Masonry (“**Zepeda**”) filed an Original Contractors Claim for Statutory and Constitutional Mechanic’s Lien, Doc #00291824, vol. 1462 p. 769. Zepeda filed a proof of claim, assigned Claim No. 9 and dated July 24, 2015 (the “**Zepeda Claim**”), asserting a Claim in the amount of \$218,914.00 alleged to be secured by the aforementioned Lien. On August 21, 2015, Putnam filed an objection [Docket No. 158] to the Zepeda Claim. Zepeda has participated in these cases by filing the Zepeda Claim and by filing an objection to the Plan. Zepeda has not objected to the proposed classification of the Zepeda Claim pursuant to Bankruptcy Rule 3013, nor has Zepeda objected to the proposed treatment of the Zepeda Claim as a General Unsecured Claim.

(ii) On or about April 13, 2015, Rafael Rios dba Rios Contracting (“**Rios**”) filed an Original Contractors Claim for Statutory and Constitutional Mechanic’s Lien, Doc #00291826, vol. 1462 p. 814. Rios filed a proof of claim, assigned Claim No. 10 and dated July 23, 2015 (the “**Rios Claim**”), asserting a claim in the amount of

\$2,555,591.00 alleged to be secured by the aforementioned mechanic's Lien. On August 21, 2015, Putnam filed an objection [Docket No. 156] to the Rios Claim. Rios has participated in these cases by filing the Rios Claim and by filing an objection to the Plan. Rios has not objected to the proposed classification of the Rios Claim pursuant to Bankruptcy Rule 3013, nor has Rios objected to the proposed treatment of the Rios Claim as a General Unsecured Claim.

(iii) On or about March 27, 2015, Central Texas Water Maintenance, LLC ("**CTWM**") filed an Original Contractor's Affidavit for Mechanic's Lien, Doc #00291581, vol. 1461 p. 253. CTWM filed a proof of claim, assigned Claim No. 8 and dated July 23, 2015 (the "**CTWM Claim**"), asserting a claim in the amount of \$739,559.92 alleged to be secured by the aforementioned mechanic's Lien. Pursuant to a stipulation [Docket No. 144] dated August 20, 2015 among the Debtors, Putnam, and CTWM, CTWM agreed to the allowance of the CTWM Claim as a Class 3 Other Secured Claim in the amount set forth in such stipulation (the "**CTWM Stipulation**"). The CTWM Stipulation is incorporated herein for all purposes.

(iv) On or about March 3, 2015, Bulldog Steel Products, Inc. ("**Bulldog**") filed an Affidavit Claiming Mechanic's and Materialman's Lien, Doc #00290842, vol. 1456 p. 442. Bulldog filed a proof of claim, assigned Claim No. 4 and dated July 23, 2015 (the "**Bulldog Claim**"), asserting a claim in the amount of \$60,665.00 alleged to be secured by the aforementioned mechanic's Lien. Pursuant to a stipulation [Docket No. 181] dated August 27, 2015 among the Debtors, Putnam, and Bulldog, Bulldog agreed to the allowance of the Bulldog Claim as a Class 3 Other Secured Claim in the amount set forth in such stipulation.

(v) DC Civil Construction ("**DC Civil**") filed an Original Contractor's Claim for Statutory and Constitutional Mechanic's Lien, Doc #00291825, vol. 14612 p. 790, on or about April 13, 2015. DC Civil filed a proof of claim, assigned Claim No. 2 and dated June 24, 2015, asserting a claim (the "**DC Civil Claim**") in the amount of \$301,565.40 and alleged to be secured by the aforementioned mechanic's Lien. Pursuant to a stipulation [Docket No. 209] dated September 3, 2015 among the Debtors, Putnam, and DC Civil, DC Civil agreed to the allowance of the DC Civil Claim as a Class 5 General Unsecured Claim in the amount set forth in such stipulation.

(vi) Holt Texas, Ltd. d/b/a Holt CAT and d/b/a Holt Rental Store ("**Holt**") filed an Affidavit Claiming Mechanic's and Materialman's Lien, Doc #00291894, vol. 1463 p. 117, on or about April 15, 2015, and an Affidavit Claiming Mechanic's and Materialman's Lien, Doc #00292715, vol. 1468 p. 68, on or about May 14, 2015. Holt did not file a proof of claim in these cases, and released the mechanic's Liens by a Release of Liens, Doc #00293396, vol. 1472 p. 107, and a Release of Liens, Doc #00294043, vol. 1475 p. 828, each dated June 5, 2015.

The Court finds that the Property subject to the foregoing mechanic's Liens is expressly dealt with by the proposed Plan, including pursuant to Sections 4.2, 6.2, 9.1, and 9.8 thereof.

Each holder of an M&M Lien Claim either (i) entered into an agreed stipulation with the Debtors resolving such Claim, (ii) released its mechanic's Lien prior to the Petition Date, or (iii) otherwise participated in the Debtors' cases by filing a proof of claim and objecting to the Plan. The Plan does not preserve any Lien alleged to secure an M&M Lien Claim; provided, however, that as set forth in the CTWM Stipulation, and notwithstanding anything contained herein in paragraphs PP, RR(iv), RR(xii), RR(xiii), 6, 23, 24, 26, 37 and 43, until the Retainage is paid in full, limited to the amount of the Retainage, CTWM shall retain its liens and rights pertaining to the Retainage to the extent applicable under Texas Property Code section 53.123, with regard to improvements that qualify as "removables".

L. *Subordination of Claims in Class 6.* The Debtors, the Receiver, the Responsible Person, and Putnam have reserved all rights in respect the equitable subordination of the Claims of any of Abel Godines, Stephen Petuck, Phil Milton, Peter Tzelios, Petuck Capital Corp., Sequel Holdings, LLC, Makamah Associates, LLC, Joe J. Godines Investments, LLC, Rafael Rios, Martin Rios, Apolinar Zepeda, KGME, Inc., and any of their respective direct or indirect Affiliates, officers, directors, agents, or representatives. Pursuant to Fed. R. Bankr. P. 7001(8), any proceeding to subordinate any Claim against any of the Debtors shall be commenced by an adversary proceeding filed in this Court or pursuant to motion by agreement of the parties. Subordination is no longer being sought pursuant to the Plan.

M. *Plan Compliance with Bankruptcy Code – 11 U.S.C. § 1129(a)(1).* The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying 11 U.S.C. § 1129(a)(1).

(i) *Proper Classification – 11 U.S.C. §§ 1122, 1123(a)(1).* Aside from Administrative Claims and Priority Tax Claims, which need not be classified, the Plan designates 7 Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims and Interests, as the case may be, in

each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, and such Classes do not unfairly discriminate among holders of Claims and Interests. Thus, the Plan satisfies 11 U.S.C. §§ 1122 and 1123(a)(1).

(ii) *Specify Unimpaired Classes – 11 U.S.C. § 1123(a)(2).* Section 4.4(c) of the Plan specifies that Class 4 is unimpaired under the Plan, thereby satisfying 11 U.S.C. § 1123(a)(2).

(iii) *Specify Treatment of Impaired Classes – 11 U.S.C. § 1123(a)(3).* Sections 4.1(c), 4.2(c), 4.3(c), 4.5(c), 4.6(d), 4.7(b) and 5.1 of the Plan designate Classes 1, 2, 3, 5, 6 and 7 as impaired; and Article IV specifies the treatment of Claims and Interests in those Classes, thereby satisfying 11 U.S.C. § 1123(a)(3).

(iv) *No Discrimination – 11 U.S.C. § 1123(a)(4).* The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying 11 U.S.C. § 1123(a)(4). Putnam has agreed to less favorable treatment of its general unsecured claim.

(v) *Implementation of Plan – 11 U.S.C. § 1123(a)(5).* The Plan provides adequate and proper means for its implementation, thereby satisfying 11 U.S.C. § 1123(a)(5).

(vi) *Non-Voting Equity Securities – 11 U.S.C. § 1123(a)(6).* No securities will be issued under the Plan. Thus, the requirements of 11 U.S.C. § 1123(a)(6) are satisfied.

(vii) *Selection of Responsible Person – 11 U.S.C. § 1123(a)(7).* At the Confirmation Hearing, the Debtors properly and adequately disclosed the identity and affiliations of the individual proposed to serve on or after the Effective Date as the Responsible Person (subject to replacement or removal in accordance with the terms of the Plan), and the manner of selection and appointment of such individuals is consistent with the interests of holders of Claims and Interests and with public policy and, accordingly satisfies the requirements of 11 U.S.C. § 1123(a)(7). On the Effective Date, the Responsible Person shall be Mr. Andrew Cohen.

(viii) *Additional Plan Provisions – 11 U.S.C. § 1123(b).* The Plan's additional provisions are appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code.

N. *Compliance with Fed. R. Bankr. P. 3016.* The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Court satisfies Bankruptcy Rule 3016(b). Further, the Plan and Disclosure Statement describe in specific and conspicuous language all acts to be enjoined and

identify the entities that are subject to the injunction, satisfying Bankruptcy Rule 3016(c) to the extent applicable.

O. Compliance with Fed. R. Bankr. P. 3017. The Debtors have given notice of the Confirmation Hearing as required by Bankruptcy Rule 3017. The Debtors have given notice of the Confirmation Hearing as required by Bankruptcy Rule 3017(d) and the Disclosure Statement Order. The solicitation materials prescribed by the Disclosure Statement Order were transmitted to the creditors entitled to vote or provisionally allowed to vote on the Plan in accordance with Bankruptcy Rule 3017(d) and, with respect to the beneficial holders in Class 7, pursuant to Bankruptcy Rule 3017(e).

P. Compliance with Fed. R. Bankr. P. 3018. The solicitation of votes to accept or reject the Plan satisfies Bankruptcy Rule 3018. The Plan was transmitted to all creditors entitled to vote or provisionally allowed to vote on the Plan, sufficient time was prescribed for such creditors to accept or reject the Plan, and the solicitation materials used and solicitation procedures followed comply with 11 U.S.C. §§ 1125 and 1126, thereby satisfying the requirements of Bankruptcy Rule 3018.

Q. Debtors' Compliance with Bankruptcy Code – 11 U.S.C. § 1129(a)(2). The Debtors and Putnam have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying 11 U.S.C. § 1129(a)(2).

R. Plan Proposed in Good Faith -- 11 U.S.C. § 1129(a)(3). The Debtors and Putnam have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying 11 U.S.C. § 1129(a)(3). In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the formulation of the Plan. The Debtors filed their chapter 11 cases and proposed the Plan in good faith and with legitimate

and honest purposes including (i) preservation and maximization of the development of the Debtors' Property, and (ii) maximization of the recovery to creditors entitled thereto under the circumstances of these cases.

S. Payments for Services or Costs and Expenses – 11 U.S.C. § 1129(a)(4).

All payments made or to be made by the Debtors or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the chapter 11 cases, or in connection with the Plan and incident to the chapter 11 cases, have been approved by, or are subject to the approval of, the Court as reasonable, thereby satisfying 11 U.S.C. § 1129(a)(4).

T. Directors, Officers and Insiders – 11 U.S.C. § 1129(a)(5). The Debtors have complied with 11 U.S.C. § 1129(a)(5). The identity and affiliations of the person that will serve as the Responsible Person as of the Effective Date of the Plan has been fully disclosed at the Confirmation Hearing. The appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of Claims against and Interests in the Debtors and with public policy. The replacement or removal of the Responsible Person shall be subject to the terms of the Plan and, if applicable, the Receivership Order. The identity of any insider that will be employed or retained and the nature of such insider's compensation have also been fully disclosed, to the extent applicable and presently determinable.

U. No Rate Changes -- 11 U.S.C. § 1129(a)(6). There is no regulatory commission having jurisdiction after confirmation of the Plan over the rates of the Debtors and no rate change provided for in the Plan requiring approval of any such commission. Therefore, 11 U.S.C. § 1129(a)(6) is not applicable.

V. Best Interests of Creditors – 11 U.S.C. § 1129(a)(7). The Plan satisfies 11 U.S.C. § 1129(a)(7). The evidence proffered or adduced at the Confirmation Hearing (i) was persuasive and credible, (ii) has not been controverted by other credible evidence, and (iii) establishes that each holder of an impaired Claim or Interest has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date. If the Debtors were liquidated under Chapter 7, there would be no ability to complete even Phase I of the planned development of the Property, nor any means for the Debtors or any chapter 7 trustee to satisfy the requirements for reimbursement under the MUD Development Agreement. Further, based on prior orders of this Court of this Court to which no creditor objected, Putnam would have the right to foreclose on the Property and other collateral, [including the MUD Development Agreement].

W. Deemed Acceptance or Rejection by Certain Classes -- 11 U.S.C. § 1129(a)(8). As set forth in the Seifert Declaration, Classes 1, 2, 3 and 5 voted each voted to accept the Plan. Class 4 is unimpaired and conclusively presumed to have accepted the Plan pursuant to 11 U.S.C. § 1126(f). Classes 6 and 7 are impaired and entitled to receive no distribution under the Plan, and are therefore deemed to reject the Plan pursuant to 11 U.S.C. § 1126(g). Plan Proponents announced a modification which resulted in those creditors classified in Class 6 being re-classified to Class 5. As a result, Class 5 is not treated as an accepting Class. Accordingly, although 11 U.S.C. § 1129(a)(8) is not satisfied with respect to Classes 5, 6 and 7, the Plan is nevertheless confirmable because the Plan does not discriminate

unfairly and is fair and equitable with respect to each Class that did not vote to accept the Plan. As a result, the requirements of 11 U.S.C. § 1129(b) have been satisfied.

X. Treatment of Administrative, Priority and Tax Claims – U.S.C. § 1129(a)(9). The treatment of Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims pursuant to Sections 3.1 and 3.2 of the Plan satisfies the requirements of 11 U.S.C. §§ 1129(a)(9)(A), (B) and (C). The treatment provided in Section 4.3(c) for tax claims that are Secured Tax Claims satisfies the requirements of 11 U.S.C. § 1129(a)(9)(D).

Y. Acceptance by Impaired Class – 11 U.S.C. § 1129(a)(10). Each of Classes 1, 2, and 3 is an impaired Classes of Claims that voted to accept the Plan without including any acceptance of the Plan by any insider. Therefore, 11 U.S.C. § 1129(a)(10) is satisfied.

Z. Feasibility – 11 U.S.C. § 1129(a)(11). The Plan proposes to liquidate the Debtors under chapter 11 of the Bankruptcy Code. Other evidence proffered or adduced by the Debtors and Putnam at the Confirmation Hearing with respect to feasibility in connection with the ability of Putnam to satisfy its obligations under the Plan are persuasive and credible, and establish that confirmation of the Plan is not likely to be followed the need for further financial reorganization. Accordingly, the Court finds that the Debtors have satisfied the requirements of 11 U.S.C. § 1129(a)(11).

AA. Payment of Fees – 11 U.S.C. § 1129(a)(12). All fees payable under 28 U.S.C. § 1930 on or before the Effective Date, as determined by the Court, have been paid or will be paid on the Effective Date pursuant to 11.2 of the Plan, thus satisfying the requirements of 11 U.S.C. § 1129(a)(12).

BB. Continuation of Retiree Benefits – 11 U.S.C. § 1129(a)(13). The Debtors do not have any retiree benefits within the meaning of 11 U.S.C. § 1114. Thus, the requirements of 11 U.S.C. § 1129(a)(13) are not applicable.

CC. No Unfair Discrimination – 11 U.S.C. § 1129(b)(1). The Plan does not unfairly discriminate against any Class of Claims or Interests, as each nonaccepting Class represents Creditors with different legal rights. In particular, the Plan does not unfairly discriminate against the Holders of Class 5 or Class 6, which includes only those Claims that by their terms or by Final Order of the Bankruptcy Court are subordinated to the payment of other Unsecured Claims, whether pursuant to 11 U.S.C. § 510(c) or otherwise. Accordingly, the Plan does not unfairly discriminate against either of Class 6 or Class 7 in violation of 11 U.S.C. § 1129(b)(2), and thus can be confirmed.

DD. Fair and Equitable – 11 U.S.C. § 1129(b)(2). The Plan provides that no Holder of a Claim or Interest that is junior to any Holder of a Class 6 Subordinated Claim or Class 7 Interest will receive or retain any property or distribution under the Plan. Accordingly, the requirements of 11 U.S.C. § 1129(b)(2)(B) and (C) are satisfied. Accordingly, the Plan is fair and equitable with respect to each of Class 5, 6 and Class 7 as required by 11 U.S.C. § 1129(b)(2), and thus can be confirmed.

EE. Principal Purpose – 11 U.S.C. § 1129(d). The principal purpose of the Plan is neither the avoidance of taxes nor the avoidance of Section 5 of the Securities Act of 1933, and no governmental unit has objected to the confirmation of the Plan on any such grounds. The Plan therefore satisfies the requirements of 11 U.S.C. § 1129(d).

FF. Executory Contracts. The Debtors have exercised reasonable business judgment in determining whether to assume, assume and assign, or reject each of their Executory

Contracts as set forth in Article VII of the Plan. Each party to an Executory Contract to be assumed by the Debtors and assigned to Putnam or its designee under the Plan has received sufficient notice of the proposed assumption and assignment and the proposed Cure Amount, if any, relating thereto. Each assumption, assumption and assignment, or rejection of an Executory Contract pursuant to Sections 7.2, 7.3 and 7.4 of the Plan shall be legal, valid and binding upon the Lender and all nondebtor parties to such Executory Contract, all to the same extent as if such assumption, assumption and assignment, or rejection had been effectuated pursuant to an appropriate authorizing order of the Court entered before the Confirmation Date under 11 U.S.C. § 365. Any assumption and assignment of an Executory Contract under the Plan, including under Sections 7.2, 7.3 and 7.4 of the Plan, shall be binding upon the Debtors, the Lender and nondebtor parties thereto only upon the occurrence of the Effective Date and the transfers to the Lender.

GG. Adequate Assurance. The Debtors have cured, or provided adequate assurance that the Lender will cure pursuant to the provisions of the Plan, defaults (if any) under or relating to each of the Executory Contract to be assumed by the Debtors and assigned to Putnam or its designee pursuant to the Plan.

HH. Plan Modifications. Each modification to the Plan set forth in this Order or on the record at the Confirmation Hearing constitutes a technical or nonmaterial change to the Plan that does not materially and adversely alter the treatment of any Claim against or Interest in the Debtor. Accordingly, pursuant to Bankruptcy Rule 3019, these modifications do not require additional disclosure pursuant to § 1125 or the solicitation of any vote pursuant to § 1126. Pursuant to 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, all holders of Claims who voted to accept the Plan or who are conclusively presumed to have accepted the Plan are deemed to have

accepted the Plan as modified, and no holder of a Claim shall be permitted to change its vote as a consequence of any such modifications to the Plan. Disclosure of the modifications on the record at the Confirmation Hearing constitutes due and sufficient notice thereof under the circumstances of these chapter 11 cases.

II. Conditions to Effective Date. Each of the conditions to the Effective Date, as set forth in Section 10.1 of the Plan, is reasonably likely to be satisfied. The conditions to the Effective Date, as set forth in Section 10.1 and 11.5 of the Plan, shall be subject to waiver by the Debtors, with the consent of the Lender, without notice or a hearing.

JJ. Retention of Jurisdiction. The Court properly may retain jurisdiction over the matters set forth in Section 11.1 of the Plan.

KK. Agreements and Other Documents. The Debtors have made adequate and sufficient disclosure of: (1) the distributions to be made pursuant to the Plan; (2) the adoption, execution, delivery and implementation of all contracts, leases, instruments, releases and other agreements or documents related to any of the foregoing; and (3) the other matters provided for under the Plan.

LL. Preservation of Causes of Action. It is in the best interests of the creditors that Causes of Action that are not expressly released or assigned under the Plan be retained by the Receiver, as the Responsible Person and representative of the estate appointed for the purpose of retaining, enforcing and setting Causes of Action pursuant to Section 6.5 and 9.7 of the Plan and 11 U.S.C. § 1123(b)(3). Appendix A to the Disclosure Statement sets forth a non-exclusive list of the retained Causes of Action.

MM. Burden of Proof. The Debtors, as proponents of the Plan, have met their burden of providing the elements of 11 U.S.C. §§ 1129(a) and (b) by a preponderance of the

evidence. *In re Briscoe Enters, Ltd., II*, 994 F.2d 1160 (5th Cir.1993), *cert. denied*, 114 S. Ct. 50 (1993).

NN. *Satisfaction of Confirmation Requirements.* The Plan satisfies the requirements for confirmation set forth in 11 U.S.C. § 1129.

OO. *Disputed Claims Reserve.* The Debtors are required, pursuant to section 6.3 of the Plan, to estimate all Disputed Claims prior to making any distribution to the holder of such Claims under the Plan in a manner to ensure that an adequate reserve would be available should each Disputed Claim become an Allowed Claim. Certain claims cannot be estimated based on information available to the Debtors and therefore may be reserved in their full face amount. Such reserve may not be relied upon to show that any Disputed Claim is either probable or estimable for any other purpose.

PP. *Transfers by Debtors.* All transfers of property of the Debtors' estates, including without limitation, the transfer and assignment to the Putnam Purchasers (as defined below) shall be free and clear of all Liens, charges, Claims, encumbrances, and other interests, except as expressly provided in the Plan or this Confirmation Order.

QQ. *Assets to Include Director's Lot.* Prior to the Petition Date, Landco conveyed to each director of the Lerin Hills MUD a one-fifth interest in a 10.56-acre tract of land (the "**Director's Lot**") within the Lerin Hills Property, in each case represented by a special warranty deed (a "**MUD Deed**"), which conveyance was necessitated to assure the statutory qualification of each director to serve in that capacity. *See* Texas Water Code § 54.102. As consideration for the conveyance, each such director MUD Director executed a promissory note in favor of Landco in the original principal amount of \$50,000 (a "**MUD Note**"), which MUD Notes comprise part of the collateral securing the Prepetition Lender Claims. On September 1,

2015, Landco foreclosed on the MUD Notes and MUD Deeds of three of the five directors—Gary Ard, Anastacio Nieto, and Edward Suarez—and obtained a re-conveyance of Albert Belton’s one-fifth interest in the Director’s Lot, thereby retaking possession of the corresponding four-fifths interest in the Director’s Lot, to which the Prepetition Lender’s Liens attached as proceeds of the MUD Notes. Accordingly, the Assets shall and hereby do include the Debtors’ four-fifths interest in the Director’s Lot, which interest shall be conveyed to the Putnam Purchaser pursuant to Section 4.2 of the Plan. By operation of Texas Water Code § 54.102, each of Gary Ard, Anastacio Nieto, Edward Suarez, and Albert Belton was thereafter rendered statutorily ineligible to serve as a director of the MUD.

RR. Sale of Assets under the Plan. With respect to the Sale of the Assets, which includes, without limitation, the Property described on Exhibit “A”, attached hereto, to Putnam or its designee pursuant to Section 6.2 of the Plan, the Court finds as follows:

(i) Putnam has formed two new entities, Mariposa Land Company LP (“**New Landco**”) and Mariposa Development Corporation (“**New Devco**” and, together with New Landco and Putnam and such other entities as may serve as Putnam’s designees, the “**Putnam Purchasers**”) to act as its assignees and designees for the purpose of holding the Assets to be distributed, transferred and conveyed to the Prepetition Lender pursuant to the Plan.

(ii) The Sale of the Assets from the Debtors to the Putnam Purchasers, all of which shall occur substantially simultaneously on the Effective Date and without the need for any further act or action by any party, is authorized and approved in all respects pursuant to §§ 363, 1123(a)(5)(D), 1123(b)(4) and 1141(c) of the Bankruptcy Code.

(iii) The Sale of the Assets to Putnam pursuant to Section 4.2 of the Plan shall be treated as a private sale to the Putnam Purchasers pursuant to Section 363(b) in consideration of a credit bid pursuant to Section 363(k) in an amount equal to the full amount of the Prepetition Lender Claims.

(iv) The Sale of all of the Assets to the Putnam Purchasers (including the assumption by the Debtors and assignment to the Putnam Purchasers of any Executory Contract identified on the Assumed Contracts Schedule (each, an “**Assigned Contract**”)) is a legal, valid, and effective transfer of the Assets for fair consideration that shall vest in the Putnam Purchasers all rights, title, and interest of the Debtors in and to

the Assets and the Assigned Contracts free and clear of any Liens, Claims, encumbrances, rights, remedies, restrictions, interests, liabilities, and contractual commitments of any kind or nature whatsoever, whether arising before or after the Petition Date, whether at law or in equity, including all rights or claims based on any successor or transferee liability; *provided, however*, that any easements that run with the Property and any other real property included among the Assets shall continue to encumber such real property to the extent they did prior to the date of this Confirmation Order. To the extent not otherwise avoided, released, or discharged pursuant to the terms of this Order, all such Liens, Claims, encumbrances and other interests to attach to the proceeds, if any, from such conveyance in the same order of priority and with the same validity and enforceability as they had immediately before the closing of the Sale of the Assets, subject to all defenses thereto.

(v) As demonstrated by the evidence proffered, adduced or presented during the Confirmation Hearing, (i) the Debtors provided all interested parties due and proper notice and an opportunity to be heard with respect to the Sale of the Assets to the Putnam Purchasers; (ii) approval of such Sale is in the best interests of the Debtors, their Estates, Creditors, and other parties in interest; (iii) the terms and conditions of the Sale of the Assets to the Putnam Purchasers, including the assumption by the Debtors and assignment to the Putnam Purchasers of the Assigned Contracts, and the rejection by the Debtors of all other Executory Contracts that are not Assigned Contracts, is fair and reasonable, and in the best interests of the Debtor's Estate; (iv) the consideration provided by the Putnam Purchaser for the Purchased Assets (a) is fair and reasonable, (b) as part of Putnam's overall contributions to the Plan, will provide a greater recovery for the Holders of Allowed Claims than would be provided by any other practical available alternative, and (c) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and other applicable law; and (v) the Putnam Purchaser is not seeking to acquire the Assets fraudulently or for any other improper purpose.

(vi) The transactions contemplated by the Plan, including the Sale of the Assets to the Putnam Purchasers, the assumption by the Debtors and assignment to the Putnam Purchasers of the Assigned Contracts, and the rejection by the Debtors of all other Executory Contracts that are not Assigned Contracts, were proposed, negotiated, and entered into by and between the Debtors and Putnam at arm's length, without improper collusion or fraud of any kind, and in good faith within the meaning of § 363(m). In particular, the Court finds that (a) the Debtors were free to deal with any other party interested in acquiring the Assets; (b) all payments and consideration to be paid by the Putnam Purchasers (including the *de facto* credit bid by Putnam of the Prepetition Lender Claims) and other agreements or arrangements entered into by the Putnam Purchasers with the Debtors in connection with the sale have been disclosed; (c) the Putnam Purchasers have not violated § 363(n) by any action or inaction; (d) although Putnam is the holder of 100% of the equity interests in the Debtors and is therefore an "insider" of the Debtors as that term is defined by § 101(31), that fact was disclosed from the very beginning of these cases; and (e) the negotiation and execution of the Plan and any other agreements or instruments related thereto was conducted in all respects at arm's length and in good faith. Accordingly, Putnam and the other Putnam Purchasers are good faith purchasers, entitled to the full protection of § 363(m) and any other applicable law,

including in the event that any portion of this Order is reversed or modified on appeal. The Putnam Purchasers have not engaged in any conduct that would cause or permit the avoidance of the Sale of the Purchased Assets, or the imposition of costs or damages under § 363(n).

(vii) The Debtors' determination that the Plan constitutes the highest and best disposition of the Assets constitutes a valid and sound exercise of the Debtors' business judgment.

(viii) The Sale of the Assets to the Putnam Purchasers in consideration of the Prepetition Lender Claims as set forth in the Plan represents a fair and reasonable offer to purchase the Assets under the circumstances of these chapter 11 cases. No other person or entity or group of entities has offered to purchase the Assets for greater economic value to the Debtors' estates than the Putnam Purchasers.

(ix) Approval of the Plan and the sale to the Putnam Purchasers and the consummation of the transactions contemplated thereby are in the best interest of the Debtors, their creditors, interest holders, estates and other parties in interest.

(x) The consideration provided by the Putnam Purchasers under the Plan is fair and adequate and constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

(xi) The Debtors have full corporate power and authority to execute and deliver all documents contemplated in the Plan, and no further consents or approvals are required for the Debtors to consummate the transactions contemplated by the Plan, except as otherwise set forth in the Plan and the Lender.

(xii) The transfer of the Assets to the Putnam Purchasers will be a legal, valid, and effective transfer of each such Asset, and shall vest the Putnam Purchasers with all right, title, and interest in and to the Assets free and clear of all Liens accruing, arising or relating to any time prior to the Closing Date.

(xiii) The Sale of the Assets to the Purchaser shall be free and clear of all Liens against the Debtors, their Estates and any of the Assets because, in each case, one or more of the standards set forth in 11 U.S.C. § 363(f)(1)-(5) has been satisfied. In particular, the Court finds that no Creditor that asserts a Lien against any Debtor or Assets has objected to the treatment of such Creditor's Lien under the Plan. Accordingly, each such Creditor—including each Creditor holding or asserting an M&M Lien Claim—is deemed to have consented to the treatment of its Liens under the Plan pursuant to § 363(f)(2).

(xiv) The sale is a prerequisite to the Debtors' ability to confirm and consummate the Plan, and is made in contemplation of such Plan. Accordingly, the sale is a transfer pursuant to section 1146(a) of the Bankruptcy Code, which shall not be taxed under any law imposing a stamp tax or similar tax.

(xv) The Debtors and the Lender are authorized to make any non-material modifications to any transfer and sale documents.

(xvi) Putnam would have the right to credit bid the full amount of the Prepetition Lender Claims at any sale of the Assets securing such Claims. *Radlax Gateway Motel v. Amalgamated Bank*, 132 S. Ct. 2065 (2012).

(xvii) For the avoidance of doubt, the “Assets” conveyed to the Putnam Purchasers under the Plan shall include (A) the Property, including (i) all buildings and all other structures, facilities or improvements presently located or hereinafter located thereon; (ii) all fixtures, systems, equipment and items of personal property located on the Property; (iii) all easements, interests, claims, licenses, rights, appurtenances, water rights, and other real property rights owned by the Debtors and relating, belonging to, or benefitting any of the Property; (iv) all existing and available surveys, blueprints, drawings, plans and specifications (including, without limitation, structural, HVAC, mechanical and plumbing plans, and specifications) for the Property or any part thereof; (B) all tax refunds, credits, offsets, recoveries and similar benefits, including any rights to claim such tax refunds, credits, offsets, recoveries and similar benefits, relating to any assets acquired by the Putnam Purchasers (provided, that in no case shall Purchaser assume any liabilities related thereto); (C) all rights under all performance bonds or instruments issued in respect of work relating to the development of the Property, including, without limitation, any certificates of deposit with (not limited to) Frost Bank and any cash bonds with or for the benefit of Kendall County and TxDOT and (D) all rights to the name “Lerin Hills” and the domain name “lerinhills.com.”.

SS. Executory Contracts. The Debtors and Putnam have exercised reasonable business judgment in determining whether to assume and assign, or to reject, each of the Executory Contract. Each nondebtor party to an Executory Contract to be assumed by the Debtors and assigned to the Putnam Purchasers pursuant to the Plan has been provided with sufficient notice under the circumstances of such assumption and the proposed Cure Amount, if any, related thereto. The assumption and assignment, or rejection, of each Executory Contract shall be legal, valid, and binding upon the Debtors and all nondebtor counterparties to such Executory Contract.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Objections. All objections to confirmation of the Plan that have not been withdrawn, resolved, waived or settled are overruled on the merits.

2. Confirmation of Plan. The Plan as modified is approved and confirmed in all respects under 11 U.S.C. § 1129, as stated on the record, at the conclusion of the Confirmation Hearing.

3. Approval of Plan Modifications. The modifications set forth in the Plan, as compared to the Plan, as well as modifications based on the rulings of the Court at the Confirmation Hearing, are approved. In accordance with 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, all holders of Claims who voted to accept the Plan or who are conclusively presumed to have accepted the Plan are deemed to have accepted the Plan. No holder of a Claim shall be permitted to change its vote as a consequence of any modifications resulting in this Plan. The Plan, as modified from the Amended Joint, as set out herein shall constitute the Plan and all references herein to the Plan shall mean the Plan as so modified.

4. Incorporation of Terms and Provisions of Plan. The terms and provisions of the Plan (and each of the documents referred to in the Plan, all exhibits, and addenda thereto) are incorporated by reference into and are an integral part of this Confirmation Order. Each term and provision of the Plan is valid, binding and enforceable as though fully set forth herein. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are non-severable and mutually dependent. The failure specifically to include or reference any particular term or provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such term and provision, it being the intent of the Court that the Plan be confirmed in its entirety.

5. Plan Classification Controlling. No motion to determine the classification of Claims or Interests under the Plan was timely filed pursuant to Bankruptcy 3013 and the Disclosure Statement Order. Accordingly, the classification of Claims and Interests for purposes

of the treatment of such Claims and Interests under the Plan, including distributions to be made thereunder, shall be governed solely by the terms of the Plan. The classifications set forth on the ballots tendered to or returned by Creditors in connection with voting on the Plan (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims or Interests under the Plan for distribution purposes, (c) may not be relied upon by any creditor or interest holder as representing the actual classification of such Claims or Interests under the Plan for distributions purposes, and (d) shall not be binding on Responsible Person, the Lender, the Estates or the Debtors.

6. Avoidance of Liens. By operation of § 1141(c), “after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the debtor.” 11 U.S.C. § 1141(c). Joining the Fourth, Seventh, Eighth, and Tenth Circuits, the Fifth Circuit in *Elixir Indus., Inc. v. City Bank & Trust Co. (In re Ahern Enters., Inc.)*, held that “11 U.S.C. § 1141(c) provides the default rule that a confirmed Chapter 11 plan may void liens not specifically preserved.” *Elixir Indus., Inc. v. City Bank & Trust Co. (In re Ahern Enters., Inc.)*, 507 F.3d 817, 821-22 (5th Cir. 2007) (collecting cases). To so void a lien under § 1141(c), the Fifth Circuit observed, four conditions must be met:

(1) the plan must be confirmed; (2) the property that is subject to the lien must be dealt with by the plan; (3) the lien holder must participate in the reorganization; and (4) the plan must not preserve the lien.

Id. at 822. The requirement of “participation,” which the Fifth Circuit characterized as “a judicial gloss on section 1141(c),” is included to ensure “that the secured creditor has notice of the plan and its potential effect on the creditor’s lien.” *Id.* at 823. Noting that at least one

bankruptcy court concluded that mere notice of the plan and an opportunity to object would suffice, the Fifth Circuit concluded that “it is a sufficient level of participation that [the creditor] filed a proof of claim.” *Id.* at 823; *see also Acceptance Loan Co. v. S. White Transp., Inc. (In re S. White Transp., Inc.)*, 725 F.3d 494 (5th Cir. 2013). The Court finds that the Property that is subject to the Liens securing the Zepeda Claim, the Rios Claim, and the DC Civil Claim is dealt with by the Plan, and that the Plan does not preserve such Liens. Moreover, as detailed herein, Zepeda, Rios, and DC Civil each participated in the chapter 11 cases, both by filing proofs of claim and by filing objections to the Plan. Accordingly, on the Confirmation Date, all mechanic’s Liens against the Property or any other Asset of the Debtor, including those asserted by any of Zepeda, Rios, or DC Civil, are void, discharged, and released in their entirety pursuant to 11 U.S.C. § 1141(c). *See also* 11 U.S.C. § 506(d). The liens of CWTM and Bulldog will be released upon payment of \$628,062.54 and \$60,665.00 respectively in accordance with those stipulations filed of record [Docket No. 144 and 181 respectively].

7. Binding Effect. Effective on the Effective Date or effective as of the Confirmation Date or any other date if so provided in the Plan, and except as expressly provided otherwise in this Confirmation Order, the Plan and its provisions shall be binding upon the Debtors, the Responsible Person, the Lender, any party in interest, any entity acquiring or receiving property or a distribution under the Plan and any holder of a Claim against or Interest in the Debtors, including all governmental entities, whether or not the Claim or Interest of such holder is impaired under the Plan and whether or not such holder or entity has accepted the Plan. Pursuant to 11 U.S.C. §§ 1123(a) and 1142(a) and the provisions of this Confirmation Order, the Plan and all Plan-related documents shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law. Additionally, entry of this Confirmation Order is

deemed consent by any counterparty to a contract or lease to the assignment of the Debtors' right, title and interest in such contract or lease. As evidence of such consent, a copy of this Order may be filed with any and all applicable state, federal or other governmental or regulatory authority and/or in any applicable governmental record.

8. Implementing Provision for Priority Tax Claims. In the event a Priority Tax Claim is treated pursuant to 11 U.S.C. § 1129(a)(9)(C), interest shall be paid at the rate as of the Effective Date at the applicable rate under non-bankruptcy law. In the event of a default on the payment of a Priority Tax Claim under the Plan, the governmental unit to which the payment is owed may pursue all administrative and judicial remedies under applicable law to collect the unpaid Priority Tax Claim.

9. Cancellation of Old Securities. Pursuant to Section 4.7(a) of the Plan, except as provided in the Plan or in this Order, on the Effective Date any and all obligations with respect to Interests in any Debtor shall be deemed extinguished, cancelled and of no further force or effect.

10. Approval of Plan Releases and Exculpation; Injunction. Each of the release, exculpation and injunction provisions set forth in Article IX of the Plan is hereby approved, except as otherwise specifically modified by this Order.

11. Plan Implementation Authorization. The Debtors and the Responsible Person are authorized and empowered from and after the date hereof to negotiate, execute, issue, deliver, implement, file or record any contract, instrument, release, lease, grant of security, indenture or other agreement or document, including, without limitation, the Plan Documents, the Governance Documents, and all other documents referenced in the Plan, as the same may be modified, amended and supplemented (including such modifications to the draft form of the Plan Documents contained in the Plan Supplement as necessary to satisfy the conditions to the

effectiveness of the Plan), and to take any action necessary or appropriate to implement, effectuate, consummate or further evidence the Plan in accordance with its terms, or take any or all corporate actions authorized to be taken pursuant to the Plan, including but not limited to any reincorporation, merger, consolidation, restructuring, disposition, liquidation, closure, dissolution, release, amendment or restatement of any bylaws, certificates of incorporation or other governing documents of the Debtors, whether or not specifically referred to in the Plan or any exhibit thereto, without further order of the Court. Any or all such documents shall be accepted upon presentment by each of the respective state filing offices and recorded in accordance with applicable state law and shall become effective in accordance with their terms and the provisions of state law. For the avoidance of doubt, the Responsible Person is hereby authorized from and after the date hereof to take all steps necessary to reincorporate as of the Effective Date, by whatever means or transactions available under applicable law.

12. Governmental Approvals Not Required. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any State or any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments or agreements, and any amendments or modifications thereto, and any other acts referred to in or contemplated by the Plan, the Disclosure Statement and any documents, instruments or agreements, and any amendments or modifications thereto.

13. Exemption from Certain Taxes. Pursuant to 11 U.S.C. § 1146(a), neither (a) the transfer of the Assets to the Lender, (b) the making or assignment of any contract, lease or sublease, nor (c) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including, without limitation, any merger agreements, any agreements of consolidation, restructuring, disposition, liquidation, or

dissolution, any deeds, any bills of sale, or any transfers of tangible or intangible property, shall be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sales or use tax, mortgage recording tax, or other similar tax or governmental assessment. State and local governmental officials or agents are hereby directed to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. For the avoidance of doubt, the exemption hereunder specifically applies, without limitation, to all documents necessary to evidence and implement the transfers required under the Plan, including the transfer of the Assets to the Lender, distributions under the Plan, including the Plan Documents, and all documents necessary to evidence and implement any of the transactions and actions described in the Plan, the Plan Schedules or the Plan Supplements.

14. Exemption from Securities Laws. The exemption from the requirements of Section 5 of the Securities Act of 1933, and any state or local law requiring registration for the offer, sale, issuance, exchange or transfer of a security provided for in the Plan in exchange for Claims against or Interests in the Debtors, or registration of licensing of an issuer of, underwriter of, or broker dealer in, such security is authorized by 11 U.S.C. § 1145.

15. Applicable Non-Bankruptcy Law. Pursuant to 11 U.S.C. §§ 1123(a) and 1142(a), the provisions of this Confirmation Order, the Plan, or any other amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

16. Appointment of Responsible Person. Andrew S. Cohen is appointed as the Responsible Person pursuant to Sections 6.6 and 6.7 of the Plan. Any vacancy existing after the Effective Date shall be filled in accordance with the terms of the Plan.

17. Approval of Assumption or Rejection of Contracts and Leases. Unless otherwise provided in an order of or in proceedings before the Court specifically dealing with (a) a contract or lease that is subject to assumption pursuant to Article VII of the Plan, the assumption of such contract or lease is hereby approved as of the Effective Date as proposed in such Section 7.2, 7.3 and 7.4; and (b) a contract that is subject to rejection pursuant to Section 7.1, the rejection of such contract is hereby approved as of the Effective Date as proposed in such Section 7.1.

18. Rejection Damages Bar Date. If the rejection pursuant to Section 8.1 results in a Rejection Damages Claim, then such Rejection Damages Claim shall be forever barred and shall not be enforceable against any Debtor or the properties of any of them unless a Proof of Claim is filed with the Claims Agent and served upon counsel to Responsible Person and Putnam no later than thirty (30) days after entry of the Confirmation Order.

19. Administrative Expense Request Deadline. On the Effective Date, or as soon thereafter as is reasonably practicable, the Responsible Person shall provide written notice of the Administrative Expense Request Deadline in substantially the same manner and fashion as the Debtors provided written notice of the Disclosure Statement.

20. Resolution of Claims. For purposes of the Plan, the “Claims Objection Deadline” shall be the date that is 60 days after the Effective Date of the Plan. Except as otherwise ordered by the Court, no later than the Claims Objection Deadline (unless extended by an order of the Bankruptcy Court), Putnam, the Responsible Person or the Receiver, as the case may be, shall file objections to Claims with the Bankruptcy Court and serve such objections upon the holders

of each of the Claims to which objections are made. Nothing contained herein, however, shall limit any of Putnam, the Responsible Person or the Receiver's right to object to Claims, if any, filed or amended after the Claims Objection Deadline. Moreover, notwithstanding the expiration of the Claims Objection Deadline and unless subsequently ordered for good cause shown to shorten time, Putnam, the Responsible Person and the Receiver shall continue to have the right to amend any objections and to file and prosecute supplemental objections and counterclaims to a Disputed Claim until such Disputed Claim is Allowed. The Debtors may amend their schedules at any time before their Chapter 11 Cases are closed.

21. Disputed Claims Reserve. The Responsible Person may establish one or more Disputed Claims Reserves for the purpose of effectuating distributions to holders of Disputed Claims pending the allowance or disallowance of such claims in accordance with this Plan. The Responsible Person shall withhold the applicable Disputed Claims Reserves from the property to be distributed to particular classes under the Plan. The Disputed Claims Reserves shall be equal to 100% of the distributions to which holders of Disputed Claims in Class 5 would be entitled under this Plan as of such date if such Disputed Claims in Class 5 were Allowed Claims in their (a) Face Amount or (b) estimated amount of such Disputed Claim in Class 5 as approved in an order by the Bankruptcy Court pursuant to § 502(c) of the Bankruptcy Code.

22. Payment of Fees. All fees payable by the Debtors under 28 U.S.C. § 1930 shall be paid on, or as soon as reasonably practical after, the Effective Date, and neither the Debtors, their Estates.

23. Vesting of Assets. All transfers of property of the Debtors' estates, including the transfer of the Assets, shall be free and clear of all Liens, charges, Claims, Interests, and other encumbrances, except as expressly provided in the Plan. Pursuant to 11 U.S.C. §§ 1141(b) and

(c), all property of each of the Debtors (excluding property that has been abandoned pursuant to the Plan or an order of the Bankruptcy Court) shall vest in each respective Debtor or Lender, as the case may be, free and clear of all Liens, charges, Claims, Interests, and other encumbrances, except as expressly provided in the Plan. Such vesting does not constitute a voidable transfer under the Bankruptcy Code or applicable nonbankruptcy law.

24. Free and Clear of Liens, Claims, Encumbrances and Other Interests. The Sale of the Assets to the Putnam Purchasers shall be effectuated free and clear of all Liens, Claims, encumbrances, rights, remedies, restrictions, interests, liabilities, and contractual commitments of any kind or nature whatsoever, whether arising before or after the Petition Date, whether at law or in equity, including all rights or claims based on any successor or transferee liability, except as expressly set forth in the Plan or this Order. Except as expressly provided in the Plan or this Order, the Assets shall be transferred to the Putnam Purchasers free and clear of all Liens, Claims, encumbrances, and other interests in, on, or with respect to the Assets, including interests, obligations, rights, encumbrances, pledges, liens (including, without limitation, Mechanic's, Materialman's, and other consensual and non-consensual liens and statutory liens), mortgages, deeds of trust, security interests, claims (including, any "claim" as defined in § 101(5)), liabilities, debt obligations, losses, penalties, leases, charges, offsets, contracts, options, rights of first refusal, rights of first offer, rights of first sale, rights of notice, proxies, voting trusts or agreements, transfer restrictions under any agreement, conditional sale or other title retention agreements, judgments, hypothecations, demands, licenses, sublicenses, assignments, indentures, loan agreements, instruments, debts, rights of recovery, guaranties, contractual commitments, restrictions, setoff, recoupment, subrogation, employee benefit agreements and obligations, collective bargaining agreements and obligations, claims based on reimbursement,

contribution, indemnity, exoneration, products liability, tortious conduct, property damage, personal injury, alter-ego, environmental liability, or taxes, and claims or liabilities otherwise arising under doctrines of successor liability, de facto merger, or substantial continuity, in each case, of any kind or nature in, against, or with respect to the Assets or the Debtors, or accrued on or prior to the Effective Date, whether direct or indirect, absolute or contingent, choate or inchoate, known or unknown, matured or unmatured, liquidated or unliquidated, arising or imposed by agreement, understanding, law, statute, equity, or otherwise, and whether arising prior to, on, or after the Petition Date.

25. No Successor Liability. None of the Putnam Purchasers, their affiliates, or any of their respective members, partners, shareholders, principals, employees, agents, representatives, and advisors (as applicable) is a mere continuation of any Debtor or its Estate, or is holding itself out to the public as a continuation of any Debtor or its Estate. There is no continuity or common identity between the Debtors and any Putnam Purchaser, its affiliates, or any of their respective members, partners, shareholders, principals, employees, agents, representatives, and advisors (as applicable), and there is no continuity of enterprise between the Debtors and any Putnam Purchaser, its affiliates, or any of their respective members, partners, shareholders, principals, employees, agents, representatives, and advisors (as applicable). None of the Putnam Purchasers, their affiliates, or any of their respective members, partners, shareholders, principals, employees, agents, representatives, and advisors (as applicable) is a successor to the Debtors or their Estates, and none of the transactions contemplated by the Plan amounts to a consolidation, merger, or de facto merger of the Putnam Purchasers, its affiliates, or any of their respective members, partners, shareholders, principals, employees, agents, representatives, and advisors with or into the Debtors.

26. Release of Liens. On the Effective Date, all Liens, security interests, deeds of trust, or mortgages against any Debtor or property of the Estates shall and shall be deemed to be released, terminated, extinguished and nullified as of the Confirmation Date pursuant to §§ 363 and 1141(c). For the avoidance of doubt, confirmation of the Plan shall serve to extinguish all Mechanic's and Materialman's Liens arising under chapter 53 of the Texas Property Code and purporting to secure any M&M Lien Claim. Pursuant to § 1142(b), from and after the Confirmation Date, the Debtors and the Putnam Purchasers are authorized to execute and file any release of Lien, in their sole business judgment, to assist in consummation of the Plan if the Holder of such Lien, including any Holder of an M&M Lien Claim, fails to execute such a release of Lien.

27. Distribution Record Date. To facilitate the distribution process, when making any Cash payments under the Plan on the Effective Date or other required Distribution Date, the Debtors shall not be required to recognize, and may disregard without liability, any transfer of Claim that is not filed of record on the Court's docket as of the Confirmation Date. With respect to any transfer of Claim not so timely filed, the Debtors are authorized to recognize and deal for all purposes under the Plan only with the original holder of the Claim.

28. Treatment is in Full Satisfaction. Except as otherwise provided in the Plan, or agreed in writing or approved by the Court, effective as of the Effective Date, the treatment set forth in the Plan is in full and complete satisfaction of the legal, contractual, and equitable rights that each Person holding a Claim or Interest may have in or against the Debtors, the Estates, or their respective property. This treatment supersedes and replaces any agreements or rights those Persons may have in or against the Debtors, the Estates, or their respective property.

29. Reservation of Rights Under Police and Regulatory Laws. Notwithstanding anything to the contrary in this Confirmation Order or the Plan, the releases, discharges, settlements, satisfactions, injunctions, and preclusions set forth in this Confirmation Order or the Plan shall not impair the rights, claims or causes of action of governmental units against the Debtors under police and regulatory laws and regulations promulgated thereunder, and such rights, claims and causes of action shall not be discharged or otherwise adversely affected by the Plan, shall survive the chapter 11 cases as if they had not been commenced, and may be determined or adjudicated before the respective administrative agency having jurisdiction or court of competent jurisdiction.

30. Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Texas, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, contracts, instruments or other documents executed or entered into in connection with the Plan (except that any agreement, contract, instrument or other documents, that contains its own choice of law provision shall be governed by such choice of law provision), and any corporate governance matters (except that corporate governance matters relating to Debtors shall be governed by the laws of the state of incorporation of the applicable Debtor, as applicable).

31. Effect of Conflict Between Plan and Confirmation Order. If there is any direct conflict between the terms of the Plan or the Plan Supplement and the terms of this Confirmation Order, the terms of this Confirmation Order shall control.

32. Reversal. Except to the extent this Order is revoked, if any or all the provisions of this Confirmation Order are hereafter reversed, modified or vacated by subsequent order of the

Court or any other court, in the absence of a stay of the Confirmation Order, such reversal, modification or vacatur shall not affect the validity of the acts or obligations incurred or undertaken in good faith under or in connection with the Plan prior to the Debtors' receipt of written notice of entry of any such order. Notwithstanding any such reversal, modification or vacatur of this Confirmation Order, in the absence of a stay of the Confirmation Order, any such act or obligation incurred or undertaken in good faith pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan or any amendments or modifications thereto.

33. Authorization to Consummate Plan. Cause exists to permit this Order to take effect immediately upon its entry, including based on the need to consummate the transactions described therein promptly so that the development of the Property may continue uninterrupted. Accordingly, any stay made applicable to this Order by Bankruptcy Rule 3020(e), 6004(h), or otherwise is hereby waived, and the Debtors may proceed to consummate the transactions described in the Plan, including the Sale of the Assets to the Putnam Purchasers, immediately upon entry of this Order and the satisfaction of all other conditions, if any, necessary to the occurrence of the Effective Date of the Plan.

34. Failure to Consummate Plan and Substantial Consummation. If consummation of the Plan does not occur, then the Plan, any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims), the assumption or rejection of any Executory Contract affected by the Plan, and any document or agreement executed pursuant to the Plan, shall be null and void. In such event, nothing contained in the Plan or this Confirmation Order, and no act taken in preparation for

consummation of the Plan, shall (a) constitute a waiver or release of any Claim by or against or any Interest in the Debtors or any other Person, (b) prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, (c) constitute an admission of any sort by the Debtors or any other Person, or (d) be construed as a finding of fact or conclusion of law with respect thereto. Upon the occurrence of the Effective Date with respect to the Debtors, the Plan shall be deemed substantially consummated as to the Debtors.

35. Notice of Entry of Confirmation Order. No later than ten (10) Business Days following the entry of this Confirmation Order, the Responsible Person shall serve notice of the entry of this Confirmation Order pursuant to Fed. R. Bankr. P. 2002(f)(7), 2002(k) and 3020(c) on all holders of Claims and Interests, the U.S. Trustee, and the parties named on the Limited Service List maintained in these cases, by causing notice to be delivered to such parties by first-class mail, postage prepaid.

36. Notice of Effective Date. Within five (5) Business Days following the occurrence of the Effective Date, the Responsible Person shall file notice of the Effective Date with the Bankruptcy Court and serve a copy of such notice on the parties named on the Limited Service List maintained in these cases.

37. Assets. To the extent the succession to assets of the Debtors pursuant to the Plan are deemed to constitute “transfers” of property, such transfers of property to the Putnam Purchasers, the Receiver or the Responsible Person (a) are and shall be legal, valid, and effective transfers of property, (b) shall vest the recipient with good title to such property, free and clear of all Liens, charges, Claims, encumbrances, or interests, except as expressly provided in the Plan or this Confirmation Order, (c) shall not constitute avoidable transfers under the Bankruptcy Code or applicable nonbankruptcy law, and (d) do not and shall not subject the Putnam

Purchasers, the Receiver or the Responsible Person to any liability by any reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor or transferee liability.

38. Injunction. Except as otherwise specifically provided in the Plan and except as may be necessary to enforce or remedy a breach of the Plan, the Debtors, and all Persons who have held, hold or may hold Claims or Interests and any successors, assigns, or representatives of the foregoing shall be precluded and permanently enjoined on and after the Effective Date from: (a) commencing or continuing in any manner any Claim, action or other proceeding of any kind with respect to any Claim, Interest or any other right or Claim against the Debtors, the Lender, the Responsible Person, which they possessed or may possess prior to the Effective Date, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any Claim, Interest or any other right or Claim, which they possessed or may possess prior to the Effective Date, (c) creating, perfecting or enforcing any encumbrance of any kind with respect to any Claim, Interest or any other right or Claim, which they possessed or may possess prior to the Effective Date, and (d) asserting any Claims that are released hereby.

39. Term of Bankruptcy Injunction or Automatic Stay. The stay in effect in the Chapter 11 Cases pursuant to section 105 or 362(a) of the Bankruptcy Code shall continue to be in effect until the Effective Date, and at that time shall be dissolved and of no further force or effect, subject to the injunction set forth in the preceding paragraph and/or sections 524 and 1141 of the Bankruptcy Code; provided, however, that nothing herein shall bar the filing of financing documents (including uniform commercial code financing statements, security agreements, leases, mortgages, trust agreements, and bills of sale) or the taking of such other actions as are

necessary to effectuate the transactions specifically contemplated by the Plan or by this Confirmation Order prior to the Effective Date.

40. Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, the Court shall retain exclusive jurisdiction as provided in the Plan over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other items and matters, jurisdiction over those items and matters set forth in Article XI of the Plan.

41. References to Plan Provisions. The failure to include or specifically reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be confirmed in its entirety. The provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; provided, however, that if there is determined to be any inconsistency between any Plan provision and any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern and any such provision of this Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

42. Separate Confirmation Orders. This Confirmation Order is and shall be deemed a separate Confirmation Order with respect to each of the Debtors in each Debtor's separate Chapter 11 Case for all purposes. The Clerk of the Court is directed to file and docket this Confirmation Order in the Chapter 11 Case of each of the Debtors.

43. Filing and Recording. This Confirmation Order is and shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required, by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any document or instruments. This Confirmation Order shall constitute conclusive evidence of the Sale of the Assets to the Putnam Purchasers and the avoidance, discharge and release of all other Liens previously encumbering such Assets. Each and every federal, state and local government agency is hereby directed to accept any and all documents and instruments necessary, useful or appropriate (including Uniform Commercial Code financing statements) to effectuate, implement and consummate the transactions contemplated by the Plan and this Confirmation Order without payment of any recoding tax, stamp tax, transfer tax or similar tax imposed by state or local law.

44. Exhibits to the Plan Will Operate as Controlling Documents. In the event of an inconsistency between the Plan and the Exhibits to the Plan (as may be modified), the Plan to the Plan will control; provided, however, that any discrepancies between the Plan, Exhibits to the Plan and this Confirmation Order shall be controlled by the Confirmation Order.

45. Causes of Action. Andrew S. Cohen, is hereby approved to serve as the Responsible Person. Pursuant to § 1123(b)(3)(B), the Responsible Person shall have all authority and standing to pursue any Cause of Action on behalf of the Debtors.

46. Estoppel. Except as expressly permitted or otherwise specifically provided by the Plan or this Confirmation Order, all persons and entities holding Liens or interests in the Assets arising under or out of, in connection with, or in any way relating to the Debtor, the Assets, the

operation of the Debtors' businesses prior to the Closing Date or the transfer of the Assets to the Lenders (or its designee), hereby are forever barred, estopped and permanently enjoined from asserting against the Purchasers or its successors or assigns, their property or the Assets, such persons' or entities' Liens or interests in and to the Assets. On the Closing Date, each creditor shall execute such documents and take all other actions as may be necessary to release Liens on the Assets, if any, as provided for herein, as such Liens may have been recorded or may otherwise exist. To the extent any Lien survives in any fashion, they shall be deemed solely to attach to the proceeds, if any, of the Asset or Assets previously encumbered by such Lien.

47. Prohibition on Interference. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Assets to the Purchasers in accordance with the terms of the Plan and this Confirmation Order.

48. Surrender of Assets. All entities that are in possession of any Assets on the Closing Date are directed to surrender possession of such Assets to the Debtors for distribution or conveyance pursuant to the terms of the Plan and this Confirmation Order.

49. Anti-Assignment Provisions. To the extent that any provision in any Assigned Contract prohibits or conditions the assignment of such Assigned Contract or allows the nondebtor party to such Assigned Contract to terminate, recapture, impose any penalty, condition on renewal or extension or modify any term or condition upon the assignment of such Assigned Contract, such provision constitutes an unenforceable antiassignment provisions that, by operation of § 365(f), is void and of no force and effect. All other requirements and conditions under §§ 363 and 365 for the assumption by the Debtors and assignment to the Putnam Purchasers of the Assigned Contracts have been satisfied. Upon the Effective Date, in

accordance with §§ 363 and 365, the Putnam Purchasers shall be fully and irrevocably vested with all rights, title and interest of the Debtors under each of the Assigned Contracts.

50. Lender Substituted for Debtors. Upon the occurrence of the Effective Date and the payment of the required Cure Amounts, if any, the designated Putnam Purchaser shall be substituted for the Debtors under each such Assigned Contract. Each Assigned Contract shall, as of the Closing Date, constitute the valid and binding obligations of the designated Putnam Purchaser and any other nondebtor counterparty thereto, and shall remain in full force and effect and enforceable in accordance with its terms. Following such assignment, the Debtors shall be relieved, pursuant to § 365(k), from any further liability under the Assigned Contracts. Upon the payment of the Cure Amount, if any, and subject to the terms of any stipulation of the parties to such Assigned Contract filed with the Court, (a) each Assigned Contract shall constitute a valid and existing interest in the property subject to such Assigned Contract, (b) none of the Debtors' rights will have been released or waived under any such Assigned Contracts, (c) the Assigned Contracts will remain in full force and effect, and (d) no default shall exist under the Assigned Contracts nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default.

51. Purchasers Adequate Assurance. The Putnam Purchasers have provided adequate assurance of their ability to perform under the Assigned Contracts from and after the Effective Date as required by §§ 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

52. Claims Barred. Pursuant to §§ 105(a), 363 and 365, all parties to the Assigned Contracts are forever barred and permanently enjoined from raising or asserting against the Debtors or the Putnam Purchasers any assignment fee, default, breach or claim or pecuniary loss,

or condition to assignment, or right to injunctive or other legal or equitable relief, arising under or related to the Assigned Contracts existing as of the Closing Date or arising by reason of the Closing.

53. Purchasers Not Liable. The Putnam Purchasers shall not have any liability or other obligation of the Debtors arising under or related to any of the Assets prior to the Effective Date. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the Plan, the Putnam Purchasers shall not be liable for any claims against the Debtors or any of its predecessors or affiliates, and the Putnam Purchasers shall not have any successor or vicarious liabilities of any kind or character, including any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger or substantial continuity, whether known or unknown as of the Effective Date, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors arising prior to the Effective Date, including liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Assets prior to the Closing. The Purchasers have given substantial consideration under the Plan for the benefit of the Holders of Claims against and Liens on the Debtors and the Assets. The consideration given by the Putnam Purchasers shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Putnam Purchasers, which releases shall be deemed to have been given in favor of the Putnam Purchasers by all Holders of Claims against and Liens on the Debtors or the Assets.

54. Validity of Sale. The transactions contemplated by the Plan are undertaken by the Putnam Purchasers without collusion and in good faith, as that term is defined in § 363(m), and, accordingly, the reversal or modification on appeal of the authorization provided herein to

consummate the Sale shall not affect the validity of the sale, conveyance, or distribution of such Assets to the Putnam Purchasers (including the assumption and assignment of the Assigned Contracts), unless such authorization and such Sale are duly stayed pending such appeal. The Lender is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

55. Limitation of Releases. Notwithstanding any provision in the Plan or this Confirmation Order to the contrary, no party shall be released of any liability arising in connection with taxes that may be due and owing under Texas state law.

56. Setoff Rights of Texas Comptroller of Public Accounts. Notwithstanding any provision in the Plan or this Confirmation Order to the contrary, the Texas Comptroller of Public Accounts shall retain its right of setoff pursuant to section 553 of the Bankruptcy Code.

57. Indemnification of Responsible Person. Nothing herein shall in any way limit or modify the indemnification rights of the Receiver contained in the *Agreed Amended Order Immediately Appointing Temporary Receiver and Granting Temporary Injunction* (the “Receivership Order”). Further, the Responsible Person and the representative of the estates shall have and receive the same indemnification from Putnam, New Landco and New Devco and shall be held harmless for any judgment, costs, or expenses suffered or incurred by him or any of his agents or attorneys as a result of actions instituted against him or them in relation to the discharge of their duties aforesaid or in carrying out or furtherance of this Order.

58. The Debtors shall file any and all tax returns due for tax year 2014 on or before September 30, 2015.

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Order Submitted by:

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**ATTORNEYS FOR
THE PUTNAM PURCHASERS**

Exhibit A

TRACT I

A tract of land being 893.49 acres, more or less, situated in and being a part of Survey No. 1, B.S. & F., Abstract No. 77, of Survey No. 43, Patrick O'Donnell Survey, Abstract No. 372, of Survey No. 233, G.B. & C.N.G.R.R. Co. Abstract No. 715, of Survey No. 305, William Fullager Survey, Abstract No. 772, of Survey No. 437, Henry Clark Survey, Abstract No. 122, of Survey No. 731, Jacob Remick Survey, Abstract No. 404, of Survey No. 790, John Stephenson Survey, Abstract No. 735, and of Survey 869, John H. Gibson Survey, Abstract No. 215, of Kendall County, Texas, and being more particularly described by metes and bounds as follows:

Being all of a certain tract or parcel of land comprising approximate acreage out of various Original Patent Surveys in Kendall County, Texas as follows:

Survey No. Acres	Survey Name	Abstract No.		
1	B.S. & F	77		253.35
43	Patrick O'Donnell	372		70.61
233	GB & C.N.G.R.R. Co.		715	395.51
305	William Fullager	772		5.76
437	Henry Clark	122		120.62
731	Jacob Remick		404	0.25
790	John Stephenson	735		0.16
869	John H. Gibson		215	47.23

being part of 1) 397.32 acres conveyed to Willis Jay Harpole from Edward H. Knowlton, et ux, by a Warranty Deed executed the 23rd day of September, 1996 and recorded in Volume 494, Page 143 and 2) part of 242.56 acres conveyed to Willis Jay Harpole from Edward H. Knowlton, et ux, by a Warranty Deed executed the 4th day of March, 1997 and recorded in Volume 509, Page 10 and 3) part of 200.51 acres and all of 205.09 acres conveyed to W. Jay Harpole from The United States of America by a United States Internal Revenue Service Deed dated November 20, 2000 and recorded in Volume 658, Page 200, all deeds recorded in the Official Public Records of Kendall County, Texas; and being more particularly described by metes and bounds as follows (record calls shown in parentheses):

BEGINNING at a 1/2" iron stake found at a fence cornerpost for a reentrant corner of the herein described tract, the northwesterly common corner of said 200.51 acres and said 205.09 acres, the southeast corner of Lot No. 46 in Block No.3 of Tapatio Springs Unit No. 17, the plat of which is recorded in Volume 4, Page 190 of the Plat Records of Kendall County, Texas; which point is at or near the southeast corner of Manuel Alqueseba Survey No. 2, Abstract No. 990, a reentrant corner of said Survey No. 233;

THENCE, along a fence with the common line between said 205.85 acres and said Lot No. 46, North 00°35'41" West 369.54 ft. (North 00°48'41" West 369.47 ft.) to a 1/2" iron stake found at the northeast corner of said Lot No. 46, a southeasterly corner of the

remainder of 1,164.587 acres conveyed to Tapatio Springs Development Company, Inc. from Tapatio Springs Golf Resort, Inc. by an Assumption Warranty Deed with Vendor's Lien executed the 11th day of September, 1991 and recorded in Volume 359, Page 323 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 205.85 acres and said 1,164.587 acres: North 00°36'33" West 932.28 ft. (North 00°48'41" West 932.88 ft.) to a post with a 60 "d" nail found at its base; North 00°23'01" East 221.62 ft. (North 00°04'20" East 221.2 ft.) to a 1/2" iron stake found at a cornerpost at the northwest corner of said 205.85 acres, a reentrant corner of said 1,164.587 acres; South 86°07'47" East 734.52 ft. (South 86°30' East 735.1 ft.) to a post marked with a 1/2" iron stake found at its base; and South 86°41'52" East 114.02 ft. (South 86°49' East 114.0 ft.) to a three-way cornerpost marked with a 1/2" iron stake found at its base at the southwest corner of said 397.32 acres, a southeasterly corner of said 1,164.587 acres;

THENCE, along a fence, unless specified otherwise, with the common line between said 397.32 acres and said 1,164.587 acres: North 15°00'06" West 519.03 ft. (North 15°16'21" West 519.66 ft.) to a found 1/2" iron stake; North 17°45'11" West 47.76 ft. (North 18°20'39" West 47.94 ft.) to a found 1/2" iron stake; North 22°09'53" West 188.22 ft. (North 22°19'38" West 188.25 ft.) to an angle post; North 63°51'33" West 346.58 ft. (North 64°04'15" West 346.44 ft.) to an angle post; and North 07°22'19" West, east of and diverging from a fence, 659.43 ft. to a 1/2" iron stake set in a fence 4.9 ft. South 63°50'33" East from a three-way corner post, for a northwesterly corner of the herein described tract;

THENCE, along a fence, upon, over and across said 397.32 acres, each point marked with an angle post: South 64°15'40" East 139.02 ft.; South 68°04'08" East 20.11 ft.; South 72°25'29" East 187.61 ft.; South 76°31'57" East 12.02 ft.; South 81°44'40" East 52.11 ft.; South 87°17'40" East 20.15 ft.; South 89°38'57" East 19.76 ft.; North 87°36'20" East 20.11 ft.; North 83°20'16" East 222.70 ft.; and North 59°40'20" East 19.75 ft.;

THENCE, continuing upon, over and across said 397.32 acres, each point marked with a set 1/2" iron stake: North 67°31'17" East 467.53 ft.; North 53°56'11" East 80.82 ft.; North 26°20'14" West 194.01 ft.; North 25°39'48" West 119.83 ft.; North 43°03'18" West 181.74 ft.; North 17°33'32" West 175.31 ft.; North 13°20'53" West 191.09 ft.; North 00°32'10" East 128.99 ft.; North 50°09'56" East 102.12 ft.; North 67°50'32" East 125.41 ft.; North 73°57'32" East 170.23 ft.; North 34°49'45" East 65.76 ft.; North 58°22'40" East 92.87 ft.; North 78°39'18" East 125.20 ft.; North 76°25'42" East 143.53 ft.; North 53°16'37" East 156.62 ft.; North 69°17'00" East 154.57 ft.; North 74°29'59" East 100.14 ft.; South 42°26'11" East 95.82 ft.; South 50°50'12" East 120.35 ft.; North 82°35'54" East 87.33 ft.; North 46°39'28" East 178.90 ft.; North 38°49'55" West 24.43 ft.; North 29°39'02" East 110.30 ft.; North 12°01'10" West 174.91 ft.; and North 29°08'22" West 148.14 ft. to a 1/2" iron stake set in a fence along the common line between said 397.32 acres and 19.08 acres conveyed to Garry Duane Gombert from Selma Gombert, et al, by a deed executed the 26th day of September, 1996 and recorded in Volume 494, Page 513 of the Official Public Records of Kendall County, Texas;

THENCE, along or near a fence with the common line between said 397.32 acres and

said 19.08 acres: North 00°22'18" West (North 00°36'59" West) 575.55 ft. to an anglepost marked with a found 1/2" iron stake; North 00°33'09" East 179.16 ft. (North 00°09'55" East 179.29 ft.) to a found 1/2" iron stake; and North 00°34'56" West 193.43 ft. (North 00°41'45" West 193.22 ft.) to a three-way cornerpost at the northeast corner of said 19.08 acres, the southerly southeast corner of 53.165 acres conveyed to Robert Gombert, et al, from Selma Gombert, et vir, by a deed executed the 8th day of January, 1987 and recorded in Volume 276, Page 162 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 397.32 acres and said 53.165 acres: North 00°15'16" East 1,278.76 ft. (North 00°01'18" West 1,278.64 ft.) to a 5/8" iron stake found at a three-way cornerpost for the northerly northwest corner of the herein described tract and said 397.32 acres, a reentrant corner of said 53.165 acres; and South 89°03'28" East 1,035.39 ft. (South 89°25'26" East 1,035.06 ft.) to a three-way cornerpost at the southwest corner of 1.010 acres conveyed to Robert J. Gombert, et ux, from Julius Gombert, et ux, by a Warranty Deed executed the 25th day of July, 1963 and recorded in Volume 85, Page 535 of the Deed Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 397.32 acres and said 1.010 acres, South 89°42'21" East 220.09 ft. (East 220.0 ft.) to a three-way cornerpost at the southeast corner of said 1.010 acres, a southwesterly corner of said 53.165 acres;

THENCE, along a fence with the common line between said 397.32 acres and said 53.165 acres: South 89°19'29" East 448.75 ft. (South 89°41'29" East 448.41 ft.) to a cornerpost marked with a found 1/2" iron stake for a reentrant corner of the herein described tract and said 397.32 acres, the easterly southeast corner of said 53.165 acres; and North 00°54'08" East 24.07 ft. (North 00°23'00" East 24.36 ft.) to a three-way cornerpost marked with a found 3/8" iron stake in the south right-of-way line of Johns Road, a public road;

THENCE, along or near a fence with the north line of said 397.32 acres, the south right-of-way line of Johns Road: South 87°27'26" East 381.33 ft. (South 87°46'44" East 382.77 ft.) to an anglepost; North 71°06'18" East 273.91 ft. (North 70°51'53" East 272.46 ft.) to an anglepost; North 60°54'33" East 159.14 ft. (North 60°38'54" East 157.19 ft.) to a 1/2" iron stake set at the beginning of a 52°20'01" curve concave to the south having a radius of 109.49 ft. (110.43 ft.); 92.64 ft. (94.53 ft.) with an arc of said 52°20'01" curve subtended by a central angle of 48°28'40" (49°02'41") (long chord= North 85°08'54" East 89.90 ft. (North 84°17'40" East 91.67 ft.) to an anglepost marked with a found 1/2" iron stake at its end; and South 70°36'47" East 365.55 ft. (South 70°52'26" East 365.00 ft.) to an anglepost marked with a found 1/2" iron stake at the northeast corner of said 397.32 acres, the northwest corner of said 242.56 acres;

THENCE, along or near a fence with the north line of said 242.56 acres, the south right-of-way line of said Johns Road: North 87°36'23" East 280.00 ft. (North 87°24'28" East 279.97 ft.) to an anglepost marked with a found 1/2" iron stake; and North 73°49'34" East 182.19 ft. (North 73°41'05" East 182.18 ft.) to a cornerpost for the northerly northeast corner of the herein described tract and said 242.56 acres, the northwest corner of 55.37 acres conveyed to Vernon L. Schaub from James L. Bower, et ux, by a

Warranty Deed with Vendor's Lien executed the 20th day of August, 1962 and recorded in Volume 84, Page 257 of the Deed Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 242.56 acres and said 55.37 acres, South 21°06'56" East 328.70 ft. (South 21°34'52" East 329.39 ft.) to an anglepost at the northwest corner of 1.206 acres conveyed to The City of Boerne, Texas from Vernon L. Schaub, et ux, by a Cash Warranty Deed executed the 6th day of March, 1974 and recorded in Volume 115, Page 56 of the Deed Records of Kendall County, Texas;

THENCE, with the common line between said 242.56 acres and said 1.206 acres: South 21°21'31" East 240.37 ft. (South 22°52' East 240.0 ft.) to a 1/2" iron stake found at the southwest corner of said 1.206 acres; and South 79°49'42" East 263.48 ft. (South 81°11' East 265.0 ft.) to a fence anglepost at the southeast corner of said 1.206 acres, a southwesterly corner of said 55.37 acres;

THENCE, along a fence with the common line between said 242.56 acres and said 55.37 acres: South 79°46'16" East 168.77 ft. (South 80°04'47" East 167.08 ft.) to a three-way cornerpost for a reentrant corner of said 55.37 acres; South 00°32'58" East 743.35 ft. (South 00°51'39" East 744.50 ft.) to a three-way cornerpost for a reentrant corner of the herein described tract and said 242.56 acres, the southerly southwest corner of said 55.37 acres; and South 89°22'28" East 736.02 ft. (South 89°42'47" East 735.32 ft.) to a cornerpost for the easterly northeast corner of the herein described tract and said 242.56 acres, the northwest corner of 76.007 acres conveyed to E. Douglas Brittain, et ux, from GRI Waterworks, Inc. by a Warranty Deed executed the 23rd day of March, 1990 and recorded in Volume 328, Page 457 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 242.56 acres and said 76.007 acres, South 00°13'56" West 893.59 ft. (South 893.46 ft.) to a 1/2" iron stake found at a three-way cornerpost for the easterly southeast corner of the herein described tract, the northeast corner of 76.30 acres conveyed to Stephen R. and Vicki L. Schmidt Revocable Trust from Willis Jay Harpole by a Warranty Deed with Vendor's Lien executed the 28th day of April, 2000 and recorded in Volume 635, Page 857 of the Official Public Records of Kendall County, Texas;

THENCE, along or near a fence with the north and west lines of said 76.30 acres, upon, over and across said 242.56 acres, each point marked with a found 1/2" iron stake near an anglepost unless stated otherwise: North 65°57'41" West 982.43 ft. (North 66°12'21" West 981.65 ft.); North 37°35'22" West 175.29 ft. (North 37°49'14" West 175.30 ft.) to a set 1/2" iron stake; North 81°34'46" West 56.75 ft. (North 81°48'40" West 56.75 ft.); South 70°33'48" West 125.45 ft. (South 70°23'55" West 125.69 ft.); North 51°35'13" West 148.35 ft. (North 51°49'53" West 147.94 ft.); North 24°49'28" West 58.37 ft. (North 25°05'19" West 58.41 ft.); North 71°44'10" West 73.55 ft. (North 72°02'25" West 73.46 ft.) to the northwest corner of said 76.30 acres, a reentrant corner of the herein described tract; South 15°55'24" West 1,536.69 ft. (South 15°39'38" West 1,536.54 ft.) to a set 1/2" iron stake; South 58°11'01" East 85.14 ft. (South 58°26'46" East 85.13 ft.); and South 42°32'24" East 1,294.41 ft. (South 42°47'47" East 1,294.14 ft.) to a 1/2" iron stake found in the southwest line of 10.03 acres conveyed to Stephen R. and Vicki L. Schmidt Revocable Trust from

Willis Jay Harpole by a Warranty Deed with Vendor's Lien executed the 28th day of April, 2000 and recorded in Volume 635, Page 852 of the Official Public Records of Kendall County, Texas;

THENCE, along or near a fence with the southwest line of said 10.03 acres, continuing upon, over and across said 242.56 acres: South 38°56'44" East 41.50 ft. (South 39°23'36" East 41.59 ft.) to a found 1/2" iron stake; and South 36°29'21" East 86.64 ft. (South 36°43'12" East 86.67 ft.) to a 1/2" iron stake found for the southwest corner of said 10.03 acres, a northwesterly corner of said 76.30 acres;

THENCE, along a fence with the west line of said 76.30 acres, continuing upon, over and across said 242.56 acres, South 11°59'25" East 785.17 ft. (South 12°14'59" East 785.66 ft.) to a 1/2" iron stake found at the southwest corner of said 76.30 acres in the southeast line of said 242.56 acres, the northwest right-of-way line of State Highway No. 46, in a 05°46'47" curve concave to the southeast having a radius of 991.39 ft. (994.93 ft.);

THENCE, along or near a fence with the southeast line of said 242.56 acres, the northwest right-of-way line of said State Highway No. 46: 520.73 ft. with an arc of said 05°46'47" curve subtended by a central angle of 30°05'41" (long chord= South 58°37'58" West 514.76 ft.) to a 1/2" iron stake found at its end; and South 43°35'08" West 7.67 ft. (South 38°29'01" West 7.82 ft.) to an unmarked point on a concrete slab at the most southerly corner of said 242.56 acres, the southeast corner of 150.354 acres conveyed to Lee Roy Hahnfeld, et ux, from Willis Jay Harpole by a Warranty Deed executed the 9th day of January, 1997 and recorded in Volume 504, Page 609 of the Official Public Records of Kendall County, Texas, from which a "P-K" nail found for reference bears 0.69 ft. South 46°03'41" East;

THENCE, along a fence with the common line between said 242.56 acres and said 150.354 acres: North 46°03'41" West 292.91 ft. (North 46°20'29" West 293.85 ft.) to a 60 "d" nail found at an anglepost; North 00°12'35" East 758.22 ft. (North 00°02'36" West 758.14 ft.) to a "P-K" nail found at a cornerpost at the northeast corner of said 150.354 acres for a reentrant corner of the herein described tract and said 242.56 acres; North 89°35'59" West 1,015.47 ft. (North 89°52'20" West 1,015.62 ft.) to a found 1/2" iron stake; and North 89°05'25" West 322.18 ft. (North 89°22'09" West 321.97 ft.) to a 1/2" iron stake found at the southerly common corner of said 242.56 acres and said 397.32 acres;

THENCE, along a fence with the common line between said 397.32 acres and said 150.354 acres: North 89°04'50" West 315.91 ft. (North 89°22'09" West 315.76 ft.) to an anglepost; North 89°32'11" West 1,057.85 ft. (North 89°48'03" West 1,057.90 ft.) to a 1/2" iron stake found at a cornerpost at the northwest corner of said 150.354 acres for a reentrant corner of the herein described tract and said 397.32 acres; and South 00°51'38" West (South 00°35'27" West) 1,032.38 ft. to a 1/2" iron stake found at the northwest corner of 12.571 acres conveyed to William R. Wood, et ux, from Lee Roy Hahnfeld, et ux, by a Special Warranty Deed dated the 7th day of January, 2000 and recorded in Volume 625, Page 559 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 397.32 acres and said 12.571 acres, South 00°54'59" West 550.27 ft. (South 00°35'27" West 550.00 ft.) to a three-way cornerpost at the southerly southeast corner of said 397.32 acres, the northeast corner of said 205.85 acres;

THENCE, along a fence with the common line between said 205.85 acres and said 12.571 acres, South 00°41'43" East 1,331.10 ft. (South 01°01'40" East 1,331.4 ft.) to a 1/2" iron stake found for the southwest corner of said 12.571 acres, the northwest corner of 330.28 acres conveyed to Patricia J. Webster from Winifred Jordt by a Warranty Deed executed the 25th day of July, 1990 and recorded in Volume 333, Page 439 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 205.85 acres and said 330.28 acres, South 00°40'43" East 356.38 ft. (South 01°01'40" East 356.4 ft.) to a 1/2" iron stake found at a three-way cornerpost in the northwest right-of-way line of said State Highway No. 46 in a 07°34'49" curve concave to the southeast having a radius of 755.90 ft. (756.8 ft.);

THENCE, along or near a fence with the southeast line of said 205.85 acres and said 200.51 acres, the northwest right-of-way line of said State Highway No. 46: 378.15 ft. (378.2 ft.) with an arc of said 07°34'49" curve subtended by a central angle of 28°39'48" (long chord= South 14°32'22" West 374.22 ft. (South 14°12'30" West 374.3 ft.)) to a concrete right-of-way marker found at its end; South 00°12'28" West 449.17 ft. (South 00°06'30" East 449.00 ft.) to a concrete right-of-way marker found at the beginning of a 04°05'47" curve concave to the northwest having a radius of 1,398.80 ft. (1,392.7 ft.); 287.03 ft. (287.2 ft.) with an arc of said 04°05'47" curve subtended by a central angle of 11°45'25" (long chord = South 06°05'10" West 286.53 ft. (South 05°45'30" West 286.7 ft.)) to a 1/2" iron stake found at its end; South 11°57'53" West, at 183.30 ft. passing a 1/2" iron stake found for reference, then continuing for a total distance of 186.14 ft. (South 11°40' West 183.5 ft.) to an unmarked point at the beginning of 08°30'09" curve concave to the northwest having a radius of 673.91 ft. (676.8 ft.); 834.98 ft. (837.2 ft.) with an arc of said 08°30'09" curve subtended by a central angle of 70°59'24" (long chord= South 47°27'35" West 782.59 ft. (South 46°59'30" West 784.8 ft.)) to a concrete right-of-way marker found at its end; South 82°57'17" West 181.95 ft. (South 82°38' West 182.0 ft.) to a concrete right-of-way marker found at the beginning of a 05°47'30" curve concave to the southeast having a radius of 989.34 ft. (995.4 ft.); 498.78 ft. (499.3 ft.) with an arc of said 05°47'30" curve subtended by a central angle of 28°53'09" (long chord= South 68°30'43" West 493.51 ft.) to a concrete right-of-way marker found at its end; and South 54°04'09" West 477.11 ft. (South 53°43' West 477.11 ft.) to a 1/2" iron stake set near a cornerpost at the most easterly corner of 4.00 acres conveyed to Susan Ford, Trustee from W. Jay Harpole by a Warranty Deed Reserving Right of First Refusal executed the 22nd day of November, 2000 and recorded in Volume 658, Page 205 of the Official Public Records of Kendall County, Texas;

THENCE, upon, over and across said 200.51 acres: with the northeast line of said 4.00 acres, North 35°34'20" West, southwest of and diverging from a fence, at approximately 493.9 ft. crossing a fence, then continuing for a total distance of 505.59 ft. (North 35°55'29" West 505.59 ft.) to a 1/2" Iron stake set for a reentrant corner of the herein

described tract, the most northerly corner of said 4.00 acres; South 54°04'09" West, northwest of and generally parallel with a fence, 227.88 ft. (South 53°43'00" West 227.88 ft.) to a 1/2" iron stake set at the northwest corner of said 4.00 acres; South 01°01'31" East, west of and converging with a fence, at approximately 268.4 ft. crossing said fence, then continuing for a total distance of 410.60 ft. (South 10°27'21" East 410.08 ft.) to a found 1/2" iron stake; and South 21°17'30" East, east of and converging with a fence 140.81 ft. (South 21°22'45" East 141.21 ft.) to a 1/2" iron stake set near a cornerpost for the most southerly corner of said 4.00 acres in the southeast line of said 200.51 acres, the northwest right-of-way line of said State Highway No. 46;

THENCE, along or near a fence with the southeast line of said 200.51 acres, the northwest right-of-way line of said State Highway No. 46: South 54°04'09" West (South 53°43' West) 40.10 ft. to a 1/2" iron stake set at the beginning of a 04°00'31" curve concave to the northwest having a radius of 1,429.42 ft. (1,392.7 ft.); 389.57 ft. (388 ft.) with an arc of said 04°00'31" curve subtended by a central angle of 15°36'55" (long chord = South 61°52'36" West 388.37 ft. (South 61°37'20" West 386.8 ft.)) to a concrete right-of-way marker found at its end; and South 69°41'04" West 718.70 ft. (South 69°21' West 718.5 ft.) to a 1/2" iron stake found near a three-way cornerpost for the most southerly corner of the herein described tract and said 200.51 acres, the most easterly corner of Lot No. 24 of Indian Springs Subdivision, the plat of which is recorded in Volume 3, Page 100 of the Plat Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 200.51 acres and said Indian Springs Subdivision: with the northeast line of said Lot No. 24, North 45°19'48" West 330.84 ft. (North 45°38'17" West 331.06 ft.) to a 1/2" iron stake found at the north corner of said Lot No. 24, the southeast corner of Lot No. 22; with the northeast line of said Lot No. 22, North 45°19'36" West 626.67 ft. (North 45°38'17" West 626.55 ft.) to a 1/2" iron stake found at the north corner of said Lot No. 22, the east corner of Lot No. 21; North 45°21'45" West 632.96 ft. (North 45°38'17" West 633.00 ft.) to a 1/2" iron stake found at the north corner of said Lot No. 21, the east corner of Lot No. 20; with the northeast line of said Lot No. 20, North 45°16'26" West 324.59 ft. (North 45°38'17" West 324.59 ft.) to a found 1/2" iron stake and North 45°16'13" West 303.31 ft. (North 45°31'01" West 303.30 ft.) to a 1/2" iron stake found at the north corner of said Lot No. 20, the east corner of Lot No. 19; with the northeast line of said Lot No. 19, North 45°15'53" West 794.84 ft. (North 45°31'01" West 795.52 ft.) to a 1/2" iron stake found at the north corner of said Lot No. 19, in the northeast right-of-way line of a sixty (60) ft. wide road known as Chinkapin Pass; and with the northeast right-of-way line of said Chinkapin Pass, North 45°17'03" West 353.46 ft. (North 45°31'01" West 353.08 ft.) to a 1/2" iron stake found for the most easterly corner of the remainder of 209.845 acres conveyed to Chapman Investments, LLC from Betty S. Kelso by a Special Warranty Deed executed the 27th day of May, 1998 and recorded in Volume 554, Page 246 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 200.51 acres and said 209.845 acres, North 45°17'28" West 1286.32 ft. (North 45°35'30" West 1,286.01 ft.) to a three-way cornerpost with a 1/2" iron stake found at its base for the most westerly corner of the herein described tract and said 200.51 acres, the northeast corner of said 209.845 acres, in the south line of the remainder of said 1,164.587 acres described in

Assumption Warranty Deed with Vendor's Lien recorded in Volume 359, Page 323 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with the common line between said 200.51 acres and said 1,164.587 acres, South 89°28'06" East 2245.67 ft. (South 89°39'14" East 2245.74 ft.) to a 1/2" iron stake found at the southwest corner of Lot No. 25 in Block No. 2 of said Tapatio Springs Unit No. 17;

THENCE, along a fence with the common line between said 200.51 acres and said Tapatio Springs Unit No. 17: with the south line of said Lot No. 25, South 89°27'34" East 280.71 ft. (South 89°39'14" East 280.66 ft.) to a 1/2" iron stake found at the southeast corner of said Lot No. 25, the southwest corner of Lot No. 47 in Block No. 3; with the south line of said Lot No. 47, South 89°29'55" East 165.13 ft. (South 89°39'14" East 165.15 ft.) to a 1/2" iron stake found at the southeast corner of said Lot No. 47, the southwest corner of Lot No. 46; and with the south line of said Lot No. 46, South 89°27'38" East 582.15 ft. (South 89°39'14" East 582.19 ft.) to the PLACE OF BEGINNING containing 893.49 acres of land, more or less, within these metes and bounds.

SAVE AND EXCEPT the 26.95 Acre Tract Below:

Being 26.95 acres of land, all as described and conveyed by Deed recorded in Document No. 20050203801, Official Records, Kendall County, Texas, said 26.95 acres of land being more particularly described by metes and bounds as follows:

Being all of a certain tract or parcel of land comprising approximate acreage out of various Original Patent Surveys in Kendall County, Texas as follows:

Survey No.	Survey Name	Abstract No.	Acres
1	B.S. & F.	77	14.25
43	Patrick O'Donnell	375	12.70

being part of 1) 397.32 acres conveyed to Willis Jay Harpole from Edward H. Knowlton, et ux, by a Warranty Deed executed the 23rd day of September, 1996 and recorded in Volume 494, Page 143, and 2) 242.56 acres conveyed to Willis Jay Harpole from Edward H. Knowlton, et ux, by a Warranty Deed executed the 4th day of March, 1997 and recorded in Volume 509, Page 10, both deeds recorded in the Official Public Records of Kendall County, Texas; and being more particularly described by metes and bounds as follows (record calls shown in parentheses):

BEGINNING at a 1/2" iron stake found in a fence for the southeast corner of the herein described tract, the southerly common corner of said 397.32 acres and said 242.56 acres, in the north line of 150.354 acres conveyed to Lee Roy Hahnfeld, et ux, from Willis Jay Harpole by a Warranty Deed executed the 9th day of January, 1997 and recorded in Volume 504, Page 609 of the Official Public Records of Kendall County, Texas; which point bears 1,015.47 ft. North 89°35'59" West and 322.18 ft. North 89°05'25" West from a "P-K" nail found at a fence cornerpost at the northeast corner of said 150.354 acres for a reentrant corner of said 242.56 acres, at or near the northeast corner of Jacob Remick Survey No. 731, Abstract No. 404, a reentrant corner of said Survey No. 1;

THENCE, along a fence with the common line between said 397.32 acres and said 150.354 acres: North 89°04'50" West 315.91 ft. (North 89°22'09" West 315.76 ft.) to an angle post; and North 89°32'11" West (North 89°48'03" West) 105.59 ft. to a 1/2" iron stake set for the southwest corner of the herein described tract;

THENCE, upon, over and across said 242.56 acres, each point unmarked and in the lake but referenced with a 1/2" iron stake set on the bank of said lake, reference calls to said stakes in brackets: South 61°31'59" East 189.61 ft. (South 21°24'37" West 90.00 ft.); South 75°11'41" East 139.22 ft. (South 01°45'10" West 90.00 ft.); North 79°13'39" East 152.42 ft. (South 22°44'43" East 90.00 ft.); North 54°01'48" East 67.79 ft. (South 41°10'11" East 90.00 ft.); North 42°25'56" East 234.18 ft. (South 53°55'35" East 90.00 ft.); North 31°26'07" East 219.84 ft. (South 37°16'48" East 90.00 ft.); North 72°08'20" East 60.18 ft.; and South 74°05'11" East, at 85.00 ft. passing a 1/2" iron stake set on the bank for reference, then continuing for a total distance of 278.31 ft. to a 1/2" iron stake set for the northeast corner of the herein described tract in a fence along west line of 76.30 acres conveyed to Stephen R. and Vicki L. Schmidt Revocable Trust from Willis Jay Harpole by a Warranty Deed with Vendor's Lien executed the 28th day of April, 2000 and recorded in Volume 635, Page 857 of the Official Public Records of Kendall County, Texas;

THENCE, along a fence with west line of said 76.30 acres, continuing upon, over and across said 242.56 acres, South 15°55'24" West (South 15°39'38" West) 487.82 ft. to a 1/2" iron stake set for the most westerly corner of said 242.56 acres;

THENCE, continuing upon, over and across said 242.56 acres, South 34°28'33" West 1,417.36 ft. to the PLACE OF BEGINNING containing 26.95 acres of land, more or less, within these metes and bounds.

SAVE AND EXCEPT the 392.230 Acre Tract Below:

A tract of land being 392.230 acres, more or less, situated in and being a portion of the G.B. & C.N.G.R.R. Survey No. 233, Abstract No. 715, and a portion of the W. Fullager Survey No. 305, Abstract No. 772, of Kendall County, Texas, and also being a portion of that certain 893.49 acre tract described in instrument to Lerin Hills, Ltd., recorded in Volume 1200, Page 872, of the Official Public Records of Kendall County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2-inch iron rod found marking the southeastern-most corner of Lot 46, Block 3 of Tapatio Springs Subdivision Unit 17, plat of which is recorded in Volume 4, Page 190 of the Kendall County Plat Records;

THENCE, North 00°42'56" West, 369.50 feet to a 1/2-inch iron rod found at an angle point marking the northeastern-most corner of said Lot 46;

THENCE, along the boundary of that certain 320 acre tract described in Instrument as Tract 2 to Tapatio Springs Development Company recorded in Volume 359, Page 323 of the Kendall County Official Public Records, the following two (2) courses and

distances:

1. North 00°41'58" West, 932.45 feet to a "60D" nail found at an angle point;
2. North 00°10'54" East, 221.46 feet to a point for corner at a cedar fence post marking the southwestern-most corner of that certain 15.66 acre "Open Space" tract recorded on the plat of Tapatio Springs Unit 15 in Volume 3, Page 229 of the Kendall County Plat Records;

THENCE, along the boundary of the said 15.66 acre "Open Space" tract the following two (2) courses and distances:

1. South 86°15'54" East, 734.94 feet to an angle point in a barbed wire fence;
2. South 86°32'15" East, 113.73 feet to a 1/2-inch iron rod found at a 3-way corner in said fence marking the southeastern-most corner of said "Open Space" tract,

THENCE, leaving the boundary of said 893.49 acre tract and along a "game proof" fence the following five (5) courses and distances:

1. North 89°47'43" East, 452.44 feet to a metal fence post found at an angle point;
2. South 89°49'52" East, 359.27 feet to a metal fence post found at an angle point;
3. South 89°36'18" East, 1062.70 feet to a metal gate post found at an angle point;
4. South 89°14'06" East, 247.25 feet to a metal fence post found at an angle point;
5. South 89°08'07" East, 229.26 feet to a metal fence post found for corner on the easterly boundary of aforesaid 893.49 acre tract and the westerly boundary of that certain 12.571 acre tract described in Instrument to William R. Wood, et ux recorded in Volume 625, Page 559 of the Kendall County Official Public Records;

THENCE, along the westerly boundary of said 12.571 acre tract the following two (2) courses and distances:

1. South 00°48'15" East, 1330.86 feet to a 1/2-inch iron rod found at an angle point;
2. South 00°45'35" East, 356.54 feet to a 1/2-inch iron rod found for corner on the northwesterly right-of-way line of State Highway 46 (80 feet wide);

THENCE, along said State Highway 46 right-of-way line the following two (2) courses and distances:

1. along the arc of a non-tangent curve to the left having a radius of 755.75 feet, a central angle of 28°39'01", a long chord bearing of South 14°25'58" West, 373.98 feet, and a total arc length of 377.91 feet, to a "TYPE I" Texas Department of Transportation right-of-way monument found at a point of tangency;
2. South 00°06'28" West, 165.52 feet to a 1/2-inch iron rod found marking the northeast corner of a 10.05 acre tract of land;

THENCE, along the boundary of the said 10.05 acre tract of land the following nine (9) courses and distances:

1. North 87°14'58" West, 478.71 feet to a 1/2-inch iron rod found for corner;
2. South 25°44'31" West, 538.89 feet to a 1/2-inch iron rod found for corner;
3. South 18°33'31" East, 33.71 feet to a 1/2-inch iron rod found at an angle point;
4. South 23°08'40" East, 108.15 feet to a point for corner;
5. North 63°18'41" East, 138.57 feet to a point for corner;
6. South 26°49'57" East, 70.77 feet to an angle point;

7. South 36°24'40" East, 142.83 feet to an angle point;
8. South 17°41'10" East, 27.44 feet to a point for corner;
9. South 74°13'48" East, 333.35 feet to a 1/2-inch iron rod found marking the southern-most corner of the aforesaid 10.05 acre tract situated on the aforesaid northwesterly right-of-way line of State Highway 46;

THENCE, along said State Highway 46 right-of-way line the following four (4) courses and distances:

1. along the arc of a curve to the right having a radius of 673.78 feet, a central angle of 64°18'11", a long chord bearing of South 50°42'11" West, 717.12 feet, and a total arc length of 756.18 feet to a point of tangency;
2. South 82°51'17" West, 181.92 feet to a point of curvature;
3. along the arc of a tangent curve to the left having a radius of 989.15 feet, a central angle of 28°53'08", a long chord bearing of South 68°24'43" West, 493.41 feet, and a total arc length of 498.68 feet, to a "TYPE I" Texas Department of Transportation right-of-way monument found at a point of tangency;
4. South 53°58'09" West, 477.05 feet to a 1/2-inch iron rod found marking the eastern-most corner of that certain 4.00 acre tract described in instrument to Susan Ford, Trustee recorded in Volume 658, Page 205 of the Kendall County Official Public Records;

THENCE, along the boundary of said 4.00 acre tract the following four (4) courses and distances:

1. North 35°40'46" West, 505.44 feet to a 1/2-inch iron rod found for corner;
2. South 53°59'00" West, 227.63 feet to a 1/2-inch iron rod found for corner;
3. South 10°06'43" East, 410.57 feet to a 1/2-inch iron rod found at an angle point;
4. South 21°06'51" East, 140.96 feet to a point for corner situated on the northerly right-of-way line of aforesaid State Highway 46;

THENCE, along said State Highway 46 the following three (3) courses and distances

1. South 53°58'09" West, 39.40 feet to a 1/2-inch iron rod found at a point of curvature;
2. along the arc of a tangent curve to the right having a radius of 1,429.14 feet, a central angle of 15°36'55", a long chord bearing of South 61°46'36" West, 388.29 feet, and a total arc length of 389.50 feet, to a "TYPE I" Texas Department of Transportation right-of-way monument found at a point of tangency;
3. South 69°35'04" West, 718.56 feet to a 1/2-inch iron rod found marking the eastern-most corner of Lot 24 of Indian Springs Subdivision, plat of which is recorded in Volume 3, Page 100 of the Kendall County Plat Records;

THENCE, along the boundary of said Indian Springs Subdivision the following seven (7) courses and distances:

1. North 45°27'23" West, 330.98 feet to an angle point;
2. North 45°24'47" West, 626.34 feet to a 1/2-inch iron rod found at an angle point;
3. North 45°28'05" West, 632.70 feet to a 1/2-inch iron rod found at an angle point;
4. North 45°22'35" West, 324.61 feet to a 1/2-inch iron rod found at an angle point;
5. North 45°21'53" West, 303.20 feet to a 1/2-inch iron rod found at an angle point;
6. North 45°22'28" West, 794.86 feet to an angle point;

7. North 45°23'03" West, 353.39 feet to a 1/2-inch iron rod found at an angle point;

THENCE, North 45°23'00" West, 1286.00 feet along the boundary of that certain 209.845 acre tract described in instrument as "Tract 1" to Chapman Investments recorded in Volume 554, Page 246 of the Kendall County Official Public Records to a 1/2-inch iron rod found at the base of a 10-inch cedar fence post marking the northeastern-most corner of said 209.845 acre tract and being situated on the southerly boundary of the aforementioned 320 acre tract;

THENCE, South 89°33'58" East, 2245.12 feet along the southerly boundary of said 320 acre tract to a "Cotton Spindle" found marking the western-most common corner of Lots 24 and 25 in Block 2 of aforementioned Tapatio Springs Subdivision Unit 17;

THENCE, along the southerly boundary of said Unit 17 the following three (3) courses and distances:

1. South 89°35'07" East, 280.79 feet to a 1/2-inch iron rod found at an angle point;
2. South 89°34'39" East, 165.13 feet to a 1/2-inch iron rod found at an angle point;
3. South 89°33'48" East, 581.98 feet to the POINT OF BEGINNING, containing 392.230 acres of land as shown on the exhibit filed under Job No.S0778-003-00 in the office of Jones and Carter, Inc, San Antonio, Bexar County, Texas.

Note: All bearings and distances referenced herein are the Texas State Plane Coordinate System grid, South Central Zone (NAD'83) as established by Global Positioning System (GPS). The grid to surface scale factor is 1.000194540.

SAVE AND EXCEPT the 10.56 Acre Tract Below:

Being 10.56 acre tract out of 893.49 acres of land recorded in The Kendall County, Public Records in Volume 658, Page 200 dated November 20, 2000 out of the G.B. & C.N.G.R.R. CO, survey No. 233, Abstract 715, in Kendall County, Texas. Said tract being more particularly described by metes and bounds as follows;

Commencing at the most northeast corner of Lot 46, Block 3 of Tapatio Spring Unit 17, recorded in the Public Records of Kendall County, Texas Volume 4, Pages 190-191:

Thence North 00°36'32" West, 364.81 feet, leaving the most northeast corner, along the east line of Tapatio Springs Development Co. Inc. Volume 359, Pages 323-360, to The Point of Beginning of the herein described tract;

Thence North 00°36'33" West, 567.47 feet, to a point on said line and continuing along the east line of Tapatio Springs Development Co. Inc., Volume 359, Pages 323-360 and the west line of the herein described tract North 00°23'01" West, 221.62 feet, to an angle point of the herein described tract;

Thence South 86°07'47" East, 734.52 feet, to a point of this line, and continuing along the common line of Tapatio Springs Unit-15 Volume 3, Page 229, and the north line of the herein described tract, South 86°41'52" East, 114.02 feet, to an angle point;

Thence South 31°02'43" West, 728.89 feet, along the east line of the herein described tract, to an angle point;

Thence South 76°54'31" West, 478.67 feet, along the south line of the herein described tract, to the Point of beginning and containing 10.56 acres of land more or less.

TRACT II

A tract of land being 392.230 acres, more or less, situated in and being a portion of the G.B. & C.N.G.R.R. Survey No. 233, Abstract No. 715, and a portion of the W. Fullager Survey No. 305, Abstract No. 772, of Kendall County, Texas, and also being a portion of that certain 893.49 acre tract described in Instrument to Lerin Hills, Ltd., recorded in Volume 1200, Page 872, of the Official Public Records of Kendall County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2-inch iron rod found marking the southeastern-most corner of Lot 46, Block 3 of Tapatio Springs Subdivision Unit 17, plat of which is recorded in Volume 4, Page 190 of the Kendall County Plat Records;

THENCE, North 00°42'56" West, 369.50 feet to a 1/2-inch iron rod found at an angle point marking the northeastern-most corner of said Lot 46;

THENCE, along the boundary of that certain 320 acre tract described in instrument as Tract 2 to Tapatio Springs Development Company recorded in Volume 359, Page 323 of the Kendall County Official Public Records, the following two (2) courses and distances:

3. North 00°41'58" West, 932.45 feet to a "60D" nail found at an angle point;
4. North 00°10'54" East, 221.46 feet to a point for corner at a cedar fence post marking the southwestern-most corner of that certain 15.66 acre "Open Space" tract recorded on the plat of Tapatio Springs Unit 15 in Volume 3, Page 229 of the Kendall County Plat Records;

THENCE, along the boundary of the said 15.66 acre "Open Space" tract the following two (2) courses and distances:

3. South 86°15'54" East, 734.94 feet to an angle point in a barbed wire fence;
4. South 86°32'15" East, 113.73 feet to a 1/2-inch iron rod found at a 3-way corner in said fence marking the southeastern-most corner of said "Open Space" tract,

THENCE, leaving the boundary of said 893.49 acre tract and along a "game proof" fence the following five (5) courses and distances:

6. North 89°47'43" East, 452.44 feet to a metal fence post found at an angle point;
7. South 89°49'52" East, 359.27 feet to a metal fence post found at an angle point;
8. South 89°36'18" East, 1062.70 feet to a metal gate post found at an angle point;
9. South 89°14'06" East, 247.25 feet to a metal fence post found at an angle point;
10. South 89°08'07" East, 229.26 feet to a metal fence post found for corner on the easterly boundary of aforesaid 893.49 acre tract and the westerly boundary of that certain 12.571 acre tract described in instrument to William R. Wood, et ux recorded in Volume 625, Page 559 of the Kendall County Official Public Records;

THENCE, along the westerly boundary of said 12.571 acre tract the following two (2) courses and distances:

3. South 00°48'15" East, 1330.86 feet to a 1/2-inch iron rod found at an angle point;
4. South 00°45'35" East, 356.54 feet to a 1/2-inch iron rod found for corner on the northwesterly right-of-way line of State Highway 46 (80 feet wide);

THENCE, along said State Highway 46 right-of-way line the following two (2) courses and distances:

3. along the arc of a non-tangent curve to the left having a radius of 755.75 feet, a central angle of 28°39'01", a long chord bearing of South 14°25'58" West, 373.98 feet, and a total arc length of 377.91 feet, to a "TYPE I" Texas Department of Transportation right-of-way monument found at a point of tangency;
4. South 00°06'28" West, 165.52 feet to a 1/2-inch iron rod found marking the northeast corner of a 10.05 acre tract of land;

THENCE, along the boundary of the said 10.05 acre tract of land the following nine (9) courses and distances:

10. North 87°14'58" West, 478.71 feet to a 1/2-inch iron rod found for corner;
11. South 25°44'31" West, 538.89 feet to a 1/2-inch iron rod found for corner;
12. South 18°33'31" East, 33.71 feet to a 1/2-inch iron rod found at an angle point;
13. South 23°08'40" East, 108.15 feet to a point for corner;
14. North 63°18'41" East, 138.57 feet to a point for corner;
15. South 26°49'57" East, 70.77 feet to an angle point;
16. South 36°24'40" East, 142.83 feet to an angle point;
17. South 17°41'10" East, 27.44 feet to a point for corner;
18. South 74°13'48" East, 333.35 feet to a 1/2-inch iron rod found marking the southern-most corner of the aforesaid 10.05 acre tract situated on the aforesaid northwesterly right-of-way line of State Highway 46;

THENCE, along said State Highway 46 right-of-way line the following four (4) courses and distances:

5. along the arc of a curve to the right having a radius of 673.78 feet, a central angle of 64°18'11", a long chord bearing of South 50°42'11" West, 717.12 feet, and a total arc length of 756.18 feet to a point of tangency;
6. South 82°51'17" West, 181.92 feet to a point of curvature;
7. along the arc of a tangent curve to the left having a radius of 989.15 feet, a central angle of 28°53'08", a long chord bearing of South 68°24'43" West, 493.41 feet, and a total arc length of 498.68 feet, to a "TYPE I" Texas Department of Transportation right-of-way monument found at a point of tangency;
8. South 53°58'09" West, 477.05 feet to a 1/2-inch iron rod found marking the eastern-most corner of that certain 4.00 acre tract described in instrument to Susan Ford, Trustee recorded in Volume 658, Page 205 of the Kendall County Official Public Records;

THENCE, along the boundary of said 4.00 acre tract the following four (4) courses and distances:

5. North 35°40'46" West, 505.44 feet to a 1/2-inch iron rod found for corner;
6. South 53°59'00" West, 227.63 feet to a 1/2-inch iron rod found for corner;
7. South 10°06'43" East, 410.57 feet to a 1/2-inch iron rod found at an angle point;
8. South 21°06'51" East, 140.96 feet to a point for corner situated on the northerly right-of-way line of aforesaid State Highway 46;

THENCE, along said State Highway 46 the following three (3) courses and distances

4. South 53°58'09" West, 39.40 feet to a 1/2-inch iron rod found at a point of curvature;
5. along the arc of a tangent curve to the right having a radius of 1,429.14 feet, a central angle of 15°36'55", a long chord bearing of South 61°46'36" West, 388.29 feet, and a total arc length of 389.50 feet, to a "TYPE I" Texas Department of Transportation right-of-way monument found at a point of tangency;
6. South 69°35'04" West, 718.56 feet to a 1/2-inch iron rod found marking the eastern-most corner of Lot 24 of Indian Springs Subdivision, plat of which is recorded in Volume 3, Page 100 of the Kendall County Plat Records;

THENCE, along the boundary of said Indian Springs Subdivision the following seven (7) courses and distances:

8. North 45°27'23" West, 330.98 feet to an angle point;
9. North 45°24'47" West, 626.34 feet to a 1/2-inch iron rod found at an angle point;
10. North 45°28'05" West, 632.70 feet to a 1/2-inch iron rod found at an angle point;
11. North 45°22'35" West, 324.61 feet to a 1/2-inch iron rod found at an angle point;
12. North 45°21'53" West, 303.20 feet to a 1/2-inch iron rod found at an angle point;
13. North 45°22'28" West, 794.86 feet to an angle point;
14. North 45°23'03" West, 353.39 feet to a 1/2-inch iron rod found at an angle point;

THENCE, North 45°23'00" West, 1286.00 feet along the boundary of that certain 209.845 acre tract described in instrument as "Tract 1" to Chapman Investments recorded in Volume 554, Page 246 of the Kendall County Official Public Records to a 1/2-inch iron rod found at the base of a 10-inch cedar fence post marking the northeastern-most corner of said 209.845 acre tract and being situated on the southerly boundary of the aforementioned 320 acre tract;

THENCE, South 89°33'58" East, 2245.12 feet along the southerly boundary of said 320 acre tract to a "Cotton Spindle" found marking the western-most common corner of Lots 24 and 25 in Block 2 of aforementioned Tapatio Springs Subdivision Unit 17;

THENCE, along the southerly boundary of said Unit 17 the following three (3) courses and distances:

4. South 89°35'07" East, 280.79 feet to a 1/2-inch iron rod found at an angle point;
5. South 89°34'39" East, 165.13 feet to a 1/2-inch iron rod found at an angle point;
6. South 89°33'48" East, 581.98 feet to the POINT OF BEGINNING, containing 392.230 acres of land as shown on the exhibit filed under Job No. S0778-003-00 in the office of Jones and Carter, Inc, San Antonio, Bexar County, Texas.

Note: All bearings and distances referenced herein are the Texas State Plane Coordinate System grid, South Central Zone (NAD'83) as established by Global Positioning System (GPS). The grid to surface scale factor is 1.000194540.

SAVE AND EXCEPT the 10.56 Acre Tract Below:

Being 10.56 acre tract out of 893.49 acres of land recorded in The Kendall County, Public Records in Volume 658, Page 200 dated November 20, 2000 out of the G.B. & C.N.G.R.R. CO, survey No. 233, Abstract 715, in Kendall County, Texas. Said tract being more particularly described by metes and bounds as follows;

Commencing at the most northeast corner of Lot 46, Block 3 of Tapatio Spring Unit 17, recorded in the Public Records of Kendall County, Texas Volume 4, Pages 190-191:

Thence North 00°36'32" West, 364.81 feet, leaving the most northeast corner, along the east line of Tapatio Springs Development Co. Inc. Volume 359, Pages 323-360, to The Point of Beginning of the herein described tract;

Thence North 00°36'33" West, 567.47 feet, to a point on said line and continuing along the east line of Tapatio Springs Development Co. Inc., Volume 359, Pages 323-360 and the west line of the herein described tract North 00°23'01" West, 221.62 feet, to an angle point of the herein described tract;

Thence South 86°07'47" East, 734.52 feet, to a point of this line, and continuing along the common line of Tapatio Springs Unit-15 Volume 3, Page 229, and the north line of the herein described tract, South 86°41'52" East, 114.02 feet, to an angle point;

Thence South 31°02'43" West, 728.89 feet, along the east line of the herein described tract, to an angle point;

Thence South 76°54'31" West, 478.67 feet, along the south line of the herein described tract, to the Point of beginning and containing 10.56 acres of land more or less.

Tract III

An undivided four-fifths (4/5th) interest in and to that certain lot, tract and parcel of land located in Kendall County, Texas and more particularly described as follows:

Being 10.56 acre tract out of 893.49 acres of land recorded in The Kendall County, Public Records in Volume 658, Page 200 dated November 20, 2000 out of the G.B.& C.N.G.R.R. CO, survey No. 233, Abstract 715, in Kendall County, Texas. Said tract being more particularly described by metes and bounds as follows;

Commencing: at the most northeast corner of lot 46, block3 of Tapatio Spring unit 17, recorder in the Public Records of Kendall County, Texas Volume 4, pages 190-191:

Thence: N.00 degrees 36 minutes 32 seconds W., 364.81 feet, leaving the most northeast corner, along the east line of Tapatio Springs Development Co. Inc. Volume 359, Pages 323-360, to **The Point of Beginning** of the herein described tract;

Thence: N.00 degrees 36 minutes 33 seconds W., 567.47 feet, to a point on said line and continuing along the east line of Tapatio Springs Development Co. Inc., Volume 359, Pages 323-360 and the west line of the herein described tract N.00 degrees 23 minutes 01 seconds W., 221.62 feet, to an angle point of the herein described tract;

Thence: S.86 degrees 07 minutes 47 seconds E., 734.52 feet, to a point of this line, and continuing along the common line of Tapatio Springs Unit-15 Volume 3, Page 229, and the north line of the herein described tract, S.86 degrees 41minutes 52 seconds E., 114.02 feet, to an angle point;

Thence: S.31 degrees 02 minutes 43 seconds W., 728.89 feet, along the east line of the herein described tract, to an angle point;

Thence: S.76 degrees 54 minutes 31 seconds W., 478.67 feet, along the south line of the herein described tract, to the **Point of beginning** and containing 10.56 acres of land more or less.

Tract IV

A non-exclusive, perpetual easement and right-of way for access and utility purposes created pursuant to that certain instrument recorded in Volume 966, Page 53, of the Official Public Records of Kendall County, Texas, as shown on survey last dated July 27, 2012, prepared by Don W. Voelkel, RPLS No. 3990.